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# Latin America Report

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25 NOVEMBER 1986

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INTER-AMERICAN AFFAIRS

BOLIVIA TO EXPORT ARGENTINE PRODUCTS TO THIRD COUNTRIES

La Paz PRESENCIA in Spanish 19 Sep 86 p 9

[Text] The Bolivian and Argentine committees agreed on a system of "compensated trade" to use the resources Bolivia has in its retention account from the sale of gas. This is to be used for goods and services. So far, approximately \$100 million have been accumulated and must be used to import Argentine products.

Two committees from the neighboring country came here to negotiate the use of these retained resources. The second, at the level of assistant secretaries, determined the amount of the Argentine debt and negotiated how to convert Argentine goods and services into liquid foreign currency.

According to the agreement signed with Argentina for the sale of gas, 40 percent is paid in goods and services and 60 percent in cash. Argentina makes the cash payments and gave Bolivia a list of products that can be imported.

The recent negotiations led to a system of triangulation or compensated trade through which Bolivia can export Argentine products to third countries.

Foreign Minister Guillermo Bedregal said that the negotiations have ended. A letter of understanding was signed and a list of Argentine products available to Bolivia was drawn up.

He said: "Bolivia is aware that it has to distribute the Argentine goods and services in order to convert them into liquid foreign currency, reinforce the balance of payments, and have financial control over resources that are not now under Bolivian sovereignty."

Minister Carlos Morales said that, through this agreement, Bolivia can negotiate the sale of Argentine products to third countries and collect the money to reinforce our balance of payments.

The Foreign Ministry will issue a communique on the agreements. The Argentine mission returned to Buenos Aires yesterday.

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CSO: 3348/15



JAMAICA-BELIZE TRADE, PETROLEUM TIES EXPANDING

Kingston THE DAILY GLEANER in English 28 Oct 86 p 1

[Text] Trade ties between Belize and Jamaica are increasing. One manifestation of their development is that negotiations are taking place for Petrojam to supply all of Belize's petroleum oil products. Another is that Toucan Airlines of Belize is to link up Central America with the Caribbean through twice-weekly flights between Belize and Jamaica, starting November 3, the Gleaner has been reliably informed.

It is understood that the first approaches to increase trade ties between the two countries began more than two years ago on Belize Prime Minister Manuel Esquivel assuming office. At that time, it was learnt, Mr Esquivel expressed an interest in increasing bilateral ties between the two countries through the buying of oil products from Petrojam and in turn selling Jamaica such products as red peas, rice and beef.

Under the oil deal, Petrojam will annually refine 560,000 barrels of crude oil for Belize, thereby allowing that country to benefit from the San Jose Accord. Belize, whose oil bill is US\$9 million annually, currently buys oil from Esso. Belize does not have a refinery.

The proposed arrangement with Petrojam, through which Belize will benefit from the San Jose accord, will allow it to pay 20% of its annual oil bill at low interest rates over a five year period.

Toucan Airlines which is owned by Belizean investors and American Chinese in Los Angeles, will fly to Jamaica on Tuesdays and Thursdays and return to Belize those same days. On other days the airline will fly to Chetuman and Cancun in Mexico.

The oil deal is part of the arrangement under which Petrojam is to lease the Libertad sugar factory at Corazon, Belize, to produce "wet" alcohol for its ethanol plant in Jamaica, the Gleaner has learnt.

Under the deal it, Belize's consignments of crue will be shipped from Venezuela or Mexico with Jamaica's consignments. Jamaica's shipments consist of 350,000 barrles at a time, twice per month.

Benefits to accrue to Petrojam from the deal will be the operating of its refinery at greater efficiency and the earning of foreign exchange. A third benefit is through cost efficiency, as the same ship that carries petroleum products to Belize would on the return trip to Jamaica load up with "wet alcohol" for processing into "dry" alcohol at Petrojam's ethanol plants in the Marcus Garvey Drive industrial complex.

The products which Petrojam will be exporting to Belize will include diesel oil, kerosene, gasoline and jet fuel, Petrojam also exports oil to the United States, the Bahamas, Spanish Honduras and the Turks and Caicos Islands and netted approximately US\$2 million in foreign exchange last year.

Under the San Jose Accord which came into force in 1980, Jamaica and nine Latin American and Caribbean countries are able to buy oil from Mexico and Venezuela by paying down 80 percent of the existing world price, and having the remaining 20 percent treated as a loan at low interest rates.

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CSO. 3298/044

## INTER-AMERICAN AFFAIRS

### BRIEFS

FORMER ECUADORAN MAYOR KIDNAPPED--Abdala Bucaram, former mayor of the Ecuadoran City of Guayaquil, was kidnapped in Panama City, where he had been living in exile for over 1 year. Ecuadoran parliamentarian Santiago Bucaram said that his brother was taken out of his house by force by five armed civilians. Last week, Guayas Provincial Prosecutor [ministro fiscal] Friday Rodriguez Mora had requested the president of the Guayaquil Supreme Court to ask the police to arrest Bucaram. Abdala Bucaram has to undergo two trials in Ecuador: One is for crime of slander against the head of the state and the Ecuadoran Armed Forces, and the other one is for embezzlement while in office. [Text] [Havana International Service in Spanish 1800 GMT 10 Nov 86 PA] /8918

VENEZUELA URGED TO INVESTIGATE POSADA--The presidents of the International Solidarity Committee and the Anti-imperialist Tribunal of Our America [TANA], Victor Bravo and Carlos Del Vecchio, respectively, have demanded that the Venezuelan Government expedite investigations to confirm whether terrorist Luis Posada Carriles is in El Salvador. They also demanded the immediate extradition of Posada Carriles. Luis Posada Carriles is of Cuban origin, a CIA agent and one of the four perpetrators of the sabotage of a Cuban plane in 1976, in which 73 civilians were killed. In their petition to the Venezuelan president, Bravo and Del Vecchio cited the information provided by U.S. mercenary Eugene Hasenfus, who was recently captured in Nicaragua, stating that Posada Carriles lives in El Salvador where he works for the CIA and the Nicaraguan counterrevolutionaries. [Text] [Havana International Service in Spanish 1800 GMT 25 Oct 86 PA] /8918

CSO: 3348/107

ACCORD SIGNED WITH JAPAN TO PROMOTE AGRICULTURE NEAR YACYRETA

Buenos Aires LA PRENSA in Spanish 18 Sep 86 p 12

[Text] The governor of the province of Corrientes, Jose Antonio Romero Feris, Japanese government authorities and representatives from the Argentine Ministry of Foreign Affairs signed an agreement by means of which Japan will conduct a study of the Agricultural Development Project in the area adjacent to the Yacyreta [sic] dam. The purpose of this project is to achieve high agricultural productivity and integrated rural development in an area of approximately 400,000 hectares in the northern part of the Corrientes province.

The document was signed by the director of the Japanese International Cooperation Agency [JICA], Masaki Fukuda; the JICA Chief of Technical Cooperation, Takashi Ishisuka and the first secretary of the Japanese embassy in Buenos Aires, Susumo Nishio, Romero Feris and Fidel Braceras, under-secretary for international cooperation at the Ministry of Foreign Affairs, signed on behalf of the Argentine government.

Details

One of the objectives of the accord will be to study the use of the water from the Yacyreta dam, which flows at a rate of 108 cubic meters per second, to irrigate an area of 400,000 hectares. It would also allow the recuperation of lands that are either flooded or susceptible to flooding where agricultural productivity is low, as is the case in certain areas surrounding the Ibera marshlands.

In his remarks, Romero Feris underscored and emphasized his appreciation of "the rapid response of the Japanese government to the Argentine request for a study," which, he said, "would have great importance for the agricultural growth of the province and the entire northeastern region." The Corrientes governor then indicated that "the 45 Japanese technicians who will soon come to the province to conduct the study will have at their disposal all available human and infrastructural resources."

JICA director Masaki Fukuda expressed his "great satisfaction at the fact that this accord constitutes one of the first concrete results of the recent visit of President Raul Alfonsin to Japan."

13031/12624

CSO: 3348/16

## FIRST ALACRAN MISSILE SAID READY TO BE LAUNCHED

Buenos Aires LA RAZON in Spanish 13 Sep 86 p 16

[Article by Ruben Felice]

[Text] On 10 October, Argentina will take a basic step towards the independent development of space research. On that day, the first missile of the Alacran series, entirely developed and constructed in Argentina, will be launched from the El Chacabuco base in La Rioja.

According to air force technicians working on the project, which has been kept secret until now, the launch is part of a government-approved plan, the culmination of which will be the development and production of a larger missile with the capacity to put satellites into the earth's orbit, which could occur early in the next decade.

In this first launch, the Alacran will use a single combustion stage (a single engine), which will allow it to reach an altitude of 100 kilometers. During the test, the missile's trajectory will not be electronically tracked, nor will it carry any payload in its head.

With a profile resembling that of the famous German V-2 rockets used during World War II, this missile weighs 1,419 kilograms, and measures 6.07 meters in height and 562 millimeters in diameter. With a thrust of approximately 1.7 million kilograms, it is capable of carrying a payload of 416 kilograms up to an altitude of 100 kilometers, in an engine burn period of 15.5 seconds.

Also planned is the construction of a two-stage (two engines) version of this rocket, which would be almost double in performance and size. According to specialists, a test of such a two-stage missile could occur in late 1987 or early 1988.

### A Parallel Project

Development of space research in Argentina began in 1960 with the launch of sounding balloons and small missiles, and proceeded gradually until production of the Castor rockets, which were also manufactured in the country. However, the Alacran project represents a completely new development from the technological point of view.

Taking into account that the greatest advances in that field derive from the development of space research, the government and the air force agreed on the necessity of achieving autonomous development, in an attempt to avoid forced dependence on the central countries, which usually administer the transfer of high technology with an eyedropper.

Starting from that premise, work was begun on a rocket capable of putting a payload into orbit, utilizing foreign technological knowledge. The project is now in an advanced stage of development, but absolute secrecy is being kept regarding the country that contributed the technology and the code name that identifies the new missile.

Nevertheless, LARAZON has been able to obtain some information regarding the objectives for the project, which reportedly include the development of a three-stage missile with solid-fuel-fed engines which would be capable of placing a 3 ton payload at an altitude of 350 kilometers.

This project began to take shape in the plants of INIESA (systems development) and ENTESA (engine development). Both establishments are located in Falda del Carmen, Cordoba, and although they depend on the air force, they have achieved economic and financial autarchy.

Shortly after work was begun, specialists realized that the degree of dependence was greatest in two basic areas: missile guidance and navigation systems and the special alloys needed for the engine nozzles (which give the flight its attitude), which must be able to withstand the extreme temperatures of combustion.

#### The Independent Alternative

The need to break technological dependence became evident following the Malvinas war. Development of the Alacran project began in 1983, and through the experiences and knowledge gained in their work on the space vehicle, Argentine technicians sought alternative means to replace the sophisticated mechanisms and knowledge of the most advanced space technology.

Tests were begun on engines. While the space vehicle measures 7 meters in length and close to 1 meter in diameter, the Alacran decreased these dimensions to 4 and 560 millimeters. This reduction made it possible to use the classic alloys of nickel, cadmium and molybdenum, rather than working with Marayin steel covers (a technology that Argentina does not yet possess).

For this reason, the Alacran is considered an independent path in Argentine space research. According to those in charge of the project, while work continues on the development of a three-stage rocket capable of placing a payload in orbit, the Alacran will serve as a test bench for new materials and systems drawn from local sources.

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CSO: 3348/16

## BARBADOS

### BRIEFS

CUBAN ENVOY--Cuba's new Ambassador to Barbados, Mr Severino Mansur Jorge, leaves here today after a week-long visit, during which he presented his credentials to Governor General, Sir Hugh Springer and met with Prime Minister Mr Errol Barrow. Mr Mansur, who is a non-resident Ambassador here and also serves in a similar position to Trinidad and Tobago and the Bahamas, said: "I am very pleased with my visit to Barbados and I am satisfied with the discussions held. They were all friendly and useful." The Cuban Ambassador also had meetings with Acting Foreign Minister, Mr Maurice King, Opposition Leader, Mr Henry Forde, and Anglican Bishop of Barbados, Drexel Gomez, who is one of the three presidents of the Caribbean Conference of Churches (CCC). The Cuban diplomat previously served as his country's Ambassador to Yugoslavia, Italy and Equatorial Guinea. [Text] [Bridgetown BARBADOS ADVOCATE in English 2 Oct 86 p 1] /9274

CSO: 3298/029

POLITICAL LEADERS ON CHURCH PROPOSAL FOR SOCIAL ACCORD

La Paz PRESENCIA in Spanish 17 Sep 86 p 6

[Text] Several parties represented in Parliament have given their opinion on the appeal by the president of the Episcopal Conference, Msgr. Julio Terrazas, concerning the need for a social agreement in the country. They also discussed the agreement reached by the government and the Federation of Mineworkers last Saturday through church mediation.

Luis Ossio Sanjines, leader of the PDC [Christian Democratic Party], said: "The agreement is one alternative under present conditions because no social sector--for example, the workers--can be forced to do things they do not agree with like form cooperatives. Neither can the government be forced to do something that, according to it, exceeds its authority. Therefore, there is nothing left but to seek an agreement that helps us overcome the serious problem that our country faces. There are solutions. It is just a matter of identifying those solutions, convinced that we will advance through agreement."

Ossio discussed the agreement the government and the Federation of Mineworkers reached under the auspices of the church. He indicated that the Potosi parliamentary group will carry out various activities supporting the understanding between the government and the mineworkers. He reported that one of these activities will be held today with speeches by two experts, one national and the other foreign, on Potosi's mining resources and how to exploit them.

Willy Vargas of the ADN [Nationalist Democratic Action] said that the agreement which the government and the mineworkers reached pleased him. "Dialogue is always constructive. The appeal for the need to stabilize the social climate through a pact seems very significant to me. It reflects on all the political parties, the government, and the union organizations."

Gonzalo Valda of the MIR [Movement of the Revolutionary Left] maintained: "The best way to consolidate the peoples in democracy is through dialogue and the search for agreement which must take into account the interests of the underprivileged, the abandoned, and those who are seriously affected by the coalition economic policy of the Movement and the ADN which govern the country. Within this context, the appeal of the church (for a social pact) is



important. It played a leading role in the solution of the last conflict." Valda added that the democracy must not be used against the workers who brought the democratic process back to the country.

Guillermo Richter of the FRI [Revolutionary Front of the Left] said that the understanding that the government and the Federation of Mineworkers reached is very important. However, he emphasized that the government's desire to agree, endorsed in the agreement, must be demonstrated in deeds. "The Episcopal Conference's appeal is very positive. To the extent that we can structure a social pact based on precise objectives, basically by implementing a program that satisfies popular interests, we will obviously advance toward consolidation of the democratic process."

German Gutierrez, representative of the PS-1, reported that his party is analyzing the agreement between the government and the mineworkers and will announce its position within a few hours. He also said that it was necessary to point out any initiative aimed at pacifying the nation. When this initiative is part of a project that hurts the nation, it is meaningless. "Any discussion of pacification must seriously review Decree 21060 and the basic policy of the government in depth. If this is not done, I fear that no agreement will be possible and the government will always want to impose itself by force."

Mario Rueda Pena, spokesman for the MNRI [Nationalist Revolutionary Movement of the Left], said: "The appeal for agreement is interesting and shows the church's pacifist vocation to seek peaceful solutions. That is what the MNRI, a party that was never part of the conspiracy and always proposed dialogue based on national dignity and the interests of the majorities, proposes." As to the agreement between the government and the mineworkers, he pointed out that the mineworkers obtained everything that was within the realm of possibility. He noted that it is very important that COMIBOL [Mining Corporation of Bolivia] was preserved.

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BOLIVIA

## AGRICULTURAL COUNCIL APPROVES LAND LEASE MEASURE

La Paz PRESENCIA in Spanish 19 Sep 86 p 9

[Text] The National Council for Agrarian Reform authorized land leases in order to cultivate new land to increase agricultural production, create new jobs, and encourage cooperatives, according to the president of that council, Luis Antezana Ergueta.

The measure was also adopted because of demands for agricultural land presented to the council.

The greatest pressure has come in Santa Cruz Department where requests for land leases increased this year, according to the official.

Under the land lease system, it will be possible to cultivate more than 15,000 more hectares which will increase agricultural production and will mean new jobs for 300 peasant families in that region.

Antezana said that this land could be leased by groups who wanted to form cooperatives and utilize tools and machinery handled by currently unemployed technicians and mechanics.

The council president reported that there are many small and medium landowners in the altiplano and the valleys who lease land for agricultural use.

The land leases were made secretly until now. According to Antezana, "this legislation will expand areas of cultivation. Unemployed manpower is increasing."

### Requirements for Land Leases

The president of the National Council for Agrarian Reform said that the requirements for land leases are that it be uncultivated land and be used for cultivation and agricultural production by paid workers.

The rent must be paid in cash. The leases will be in effect for one agricultural year.

Antezana said that Parliament will be asked to repeal D.S. 5749 which limits this activity.

METALWORKS INDUSTRY TO ACQUIRE MINING INFRASTRUCTURE

La Paz PRESENCIA in Spanish 21 Sep 86 p 13

[Text] "The enormous infrastructure installed in the mining centers of the country by former mining companies and during nationalization will be adapted to produce machines, tools, and other mechanical parts in order to create jobs to meet the social demand caused by the relocation policy."

That information was provided by the assistant secretary for labor development, Luis Pena Rueda. He pointed out aspects of the "National Employment Policy" that is being revised by a special committee.

The government official said that the main objective is "to avoid government paternalism and resolutely undertake programs to generate employment through cooperatives and the creation of small productive units and service enterprises using a systematic classification of personnel who must change activities."

The country now faces a difficult situation caused by high unemployment among the economically active population and the Bolivian labor force.

Unemployment affects 60 to 65 percent of the active population which increases the volume of activity in the informal economy. At the beginning of the decade, this became a factor of crime due to the high rate of smuggling and drug traffic.

There is 38 percent unemployment of the labor force which makes up 19 percent of the people in the formal economy.

He said that the National Employment Plan wants to generate approximately 7,000 new jobs for various skilled workers and professionals. He pointed out that they basically involve agriculture and metalworking.

The plan's objective is to strengthen the popular economy through the generation of revenue which will improve distribution and permit each worker to meet his needs and improve his standard of living.

The National Employment Plan has been submitted to the Ministry of Planning.

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CSO: 3348/15

## IMPORTANT ROAD PROJECTS COMPLETED, UNDER CONSTRUCTION

La Paz PRESENCIA in Spanish 18 Sep 86 p 4

[Text] Riberalta, 17 Sep--An important section of highway between the road to Santa Rosa and Beni River was completed recently. It will go to the capital of Pando Department.

This information was provided by the Velasco Construction Enterprise hired by CORDEBENI [Development Corporation of Beni] with financing from U.S. assistance program PL-480.

The construction company said a 48.7 kilometer embankment from Kilometer 70 of the road to Santa Rosa to Pena Amarilla on Beni River was completed. The road bed is 10 meters wide.

CORDEBENI feels that the project to provide land communication between the capital of Pando and the rest of the country has advanced considerably. The segment is the alternative that the executives of CORDEBENI and CORDEPANDO [Development Corporation of Pando] approved instead of the territorial project of La Paz Department in order to finish this road contract more quickly.

Actually, according to the construction company, the road between Riberalta and Santa Rosa will be finished next year. There are still 40 kilometers north and south of Arroyo Tapado to be completed by the Velasco company and SENAC [National Roads Service], respectively.

It was also pointed out that the Yucumo Rurrenabaque project, abandoned almost 2 years ago and now under SENAC, must be completed. However, SENAC does not have the necessary resources to expedite the work and complete the remaining 35 kilometers.

Construction of the Nueva Ethea (Beni River)-Conquista-Puerto Rico segment, approximately 52 kilometers, must continue in order to link with Cobija. It has also been approved for PL-480.

### Other Roads

CORDEBENI spokesmen repeated that construction of the roads between Warnes and Antofagasta, a large food production zone, and Kilometer 7 of the road to

Guayaramerin as far as Palmira and Santa Maria will begin in the next few days.

Both projects are financed by the Food System through PL-480 and the regional corporation's resources.

They also revealed that ENDE executives proposed the purchase of an idle generator from a mining enterprise. Its cost is equivalent to the debt for consumption of electrical energy for all the state organizations in the capital.

COSERELEC has begun to analyze the possibility of demanding payment of that debt, equivalent to \$100,000, or asking for a loan from its customers to cover that amount. The cooperative has more than 4,000 members.

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CSO: 3348/15

BRAZIL

## TRANSPORTATION SERVICE STOPPAGE IN FIVE CITIES

PY061351 Madrid EFE in Spanish 2344 GMT 5 Nov 86

[By Jorge Matiz F.]

[Text] Brasilia, 5 Nov (EFE)--The Brazilian Government is looking into the possibilities of declaring illegal the strikes of workers in urban passenger transportation services in the cities of Brasilia, Belo Horizonte, Sao Paulo, and beginning today, in Curitiba and Natal.

The announcement was made by Justice Minister Paulo Brossard as he came out of a meeting with President Jose Sarney. During the meeting they evaluated the situation in those cities. Minister Brossard told the press: "The law forbids strikes in essential services, and transportation is one of them."

The strikers are demanding the readjustment of salaries that have been frozen since 28 February, the date on which the government launched the economic reform program known as the Cruzado Plan.

The wave of strikes in this sector began Monday, 3 November, in Brasilia, where 4,000 bus drivers and fare collectors from 11 private transportation companies stopped work demanding a 120-percent readjustment so that their salaries will be equal to those paid to the state-run transportation companies.

The country's capital is nearly paralyzed. Today, on the third day of the strike, the transportation workers held an assembly and decided to continue the strike.

Passenger service to the so-called satellite cities of Brasilia is being maintained precariously by private vehicles, under police surveillance. In 3 days the police have arrested 14 people for sabotaging this makeshift service.

In Sao Paulo, the premier industrial capital of Latin America, bus drivers and fare collectors from 5,000 buses, both private and state-run, are today completing their second day of strike, in demand of better salaries.

Daily activities have been considerably reduced, despite the fact that the Sao Paulo Government has organized an emergency transportation service and established around the clock subway service in an effort to ameliorate the effects of the strike.

In Belo Horizonte, the state railroad network which provides passenger services in the metropolitan area, has been on strike since last Monday, 3 November.

The strike wave today reached the cities of Curitiba in the state of Parana and the city of Natal in the state of Rio Grande do Norte.

In Curitiba, about 700,000 passengers were left without transportation by the strike of 960 private bus drivers. The strikers are demanding a 120-percent salary readjustment.

In Natal, capital of Rio Grande do Norte state, drivers from private companies began an indefinite strike at midnight Tuesday, asking for salary readjustments by 34 percent.

In Rio de Janeiro, activities returned to normal today when bus drivers returned to work after a 24-hour stoppage. The local Transportation Workers Union warned today that unless salary readjustments are granted in the next few days, its members will resume the strike for an indefinite period of time.

Justice Minister Paulo Brossard said that "it is unlikely that the strikes will last until election day [15 November] and we believe that elections will not be affected by this situation."

On 15 November, 69,080,000 Brazilian electors will go to the polls to elect governors and also congressmen who will be delegates to the February 1987 Constituent Assembly that will write a new constitution.

8918

CSO: 3348/108

PLO CONDUCTS COURSE AT PIRACICABA METHODIST UNIVERSITY

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 16 Sep 86 p 11

[Text] Campinas--At the 41st session of the UN General Assembly, which will convene the latter half of this year, the Palestine Liberation Organization (PLO) is going to propose the holding of a national conference with the participation of the United States and the Soviet Union to solve the question of the creation of a Palestinian state. That information was given yesterday by the vice president of the PLO in Brazil, Fawzi El Mashni, at the opening of a university extension course on the Palestinian situation in the Methodist University of Piracicaba. The event, which has attracted only 15 participants, is the first result of a controversial agreement signed between the university and the PLO and almost caused university rector Elias Boaventura's candidacy to the State Legislative Assembly for the PDT to be repudiated. One of the topics of the meeting: "Zionism as a Form of Racism" will be discussed by Marwan Tahubub, PLO ambassador to Nicaragua.

El Mashni stressed that the purpose of the meeting, which will continue until Saturday, is "to preserve the Palestinian identity." According to him, "public opinion regarding the Palestinian causes is being manipulated" and for that reason "it is necessary to publicize aspects of our culture that few are familiar with and to show the national legality of Palestine before the United Nations." Fawzi explained that it was that concern that led the organization to propose the national conference at the UN General Assembly where, in addition to the two big powers, the five permanent members of the UN Security Council and the sides involved in the Middle East Issue, including the PLO, would participate on an "equal footing." The vice president of the PLO in Brazil pointed out that next year will mark the 40th anniversary of the partition of Palestine by the United Nations "and thus the organization has an international responsibility for the solution of the problem of the creation of a Palestinian state on Palestinian soil."

The course, which is being held in an institution of higher education for the first time, according to Fawzi, will also cover the following topics: "The Situation of the Palestinians in the Occupied Territories," by Professor Maria de Felipe; "The Palestinian Question and International Law," by Eduardo Kronfly, professor of the University of Colombia; "The Educational and Cultural Situation of the Palestinians," by Hanna Safieh; "The Inalienable Rights of the Palestinian People," by Saad Chidid, professor of the University of Buenos Aires; and "The Palestinian Cultural Heritage, an Endangered Patrimony," by Beatriz Bisso.



BRAZIL

## \$20 MILLION CREDIT USED FOR SURINAMESE MILITARY MATERIEL

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 10 Sep 86 p 9

[Article by Roberto Godoy]

[Text] The Surinamese Government plans to use funds from a \$20 million line of credit opened by Brazil in 1983 under the terms of "economic and financial aid" to pay for the chartering of the "Lider Air Taxi" helicopter used to transport soldiers that was forced to make an emergency landing last Wednesday after being hit by machinegun fire from "Brunswijk Group" guerrillas.

The second financing, which involves military materiel in the order of \$50 million, was only partially used: Lieutenant-Colonel Desi Bouterse spent about \$10 million on the purchase of 11 Urutu EE-11 and Cascavel EE-9 amphibious tanks from Engesa, in addition to a large quantity of ammunition, light rockets, uniforms, rations and support material. After delivery of the first lot in 1984, the National Security Council decided to suspend the flow of orders.

The Brazilian involvement in the Surinamese internal conflict, characterized by the presence of the Brazilian registered plane piloted by Brazilian professionals (Paulo Cesar Lopes, Walter Spyer) and the indirect defrayal of the \$60,000 charged by "Lider" for 40 hours of flying time "to transport personnel and their respective equipment," could bring new complications to the government. In the Netherlands yesterday, members of the "Liberty Council" and the "Resistance Against the Dictatorship in Suriname" announced that the guerrillas plan to conduct retaliatory actions against Brazilian targets in Roraima and Para "if the intention of the 'Lider' company to send new helicopters to Paramaribo is confirmed."

The group, led in the field by Bouterse's former security chief, Sergeant Ronny Brunswijk, has close to 120 fighters equipped with automatic weapons, rocket-launchers, bazookas, explosives, and antipersonnel mines bought on the black market with money raised by the "Council" and "Resistance" coordination organizations--both of which are comprised of refugees--headquartered in Amsterdam.

According to the liaison man who spoke to O ESTADO and the JORNAL DA TARDE, more sophisticated material will be commissioned within the next 20 days by the guerrillas (who are harbored in the territory of French Guiana).

Yesterday, the Paramaribo communications media received a government order not to report the trial of Major Boerenseen in Miami. Regarded as the second most influential main in the Desi Bouterse government, the major was arrested by the U.S. drug enforcement police. An agent posing as a trafficker met Boerenseen, who offered "the whole country" as a base for an international drug traffic connection. The contacts were recorded and the major was arrested together with two other Surinamese citizens.

8711/9869

CSO: 3342/5

INFLATION TOTALS 8.87 PERCENT SINCE CRUZADO PLAN ADOPTED

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 17 Sep 86 p 21

[Text] Rio--Real inflation in August was 3.55 percent, which is double the official index--the Consumer Price Index (IPC)--which changed only 1.68 percent during the same period owing to the deletion of the compulsory loans for gasoline, alcohol, and new cars. With the new index, the actual accumulated inflation since the adoption of the cruzado plan in March is 8.87 percent. (see chart)

The items that most influenced price increases were: transportation and communication, 11.28 percent; followed by housing, 5.38 percent; and clothing, 2.3 percent. Those figures were released in Rio last night by the Brazilian Institute of Geography and Statistics Foundation (IBGE). The IPC without deletions is called the Expanded Consumer Price Index (IPCA) and is not used for any type of readjustment. Its release is intended only to prevent the official agency for index research, the IBGE, from being technically discredited.

The other items that comprise the IPCA showed the following behavior in August: personal expenses, +2.13 percent; health and personal care, +0.30 percent; household articles, +2.16; and food, +0.36 percent.

Among the 10 cities studied, the greatest increase in the IPCA was in Salvador, 4.71 percent; followed by Brasilia, 4.6 percent; Curitiba, 3.98 percent; and Sao Paulo, 3.80 percent.

In its explanation of the reasons for the increases, the IBGE stated that for the item "transportation" there were price pressures by new and used cars and taxi fares.

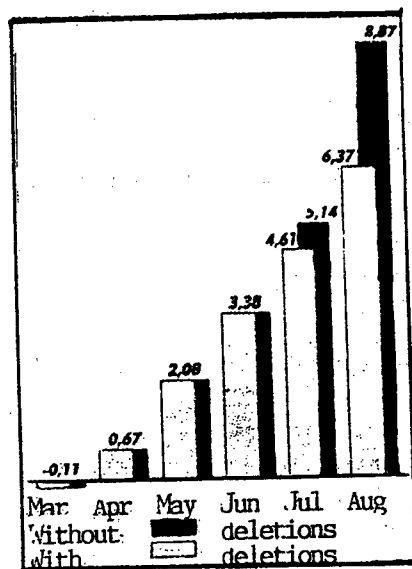
For the item "housing," the IBGE stressed the rise of residential and condominium rentals. For the item "food," which presented a small positive change, the IBGE experts stressed that there was an 8.08 percent reduction in the price of vegetables and greens and a 5.41 percent increase in the price of fish. Salt and spices, fruits, chickens, and "flour and meal, starches, and pasta" also exerted upward pressures.

The IBGE revealed yesterday that the change in the National Consumer Price Index (INPC) was only 1.43 percent, taking into account the increases

generated by the compulsory loans, and 1.12 percent after the deletions. The INPC is not used for any purpose but, according to IBGE sources, it could even become the official government index in the future because its variations have been very low.

#### THE INFLATION OF THE CRUZADO

(accumulated variation in percentage)



Source: IBGE.

8711/9869

CSO: 3342/5

CHILE

CNI ARRESTS TWO SCIENCE INSTITUTE MEMBERS

PY011457 Paris AFP in Spanish 0119 GMT 1 Nov 86

[Text] Santiago, 31 October (AFP)---The Alejandro Lipsvhut Science Institute [ICAL] of Chile today denounced a "coordinated campaign" against it, following the arrest of its general director and a teacher by government security agents.

ICAL Director Carlos Vega Bustos, and Professor Domingo Araya were arrested last week by members of the National Intelligence Center [CNI], the military regime's secret police. They have been accused of belonging to the proscribed Chilean Communist Party [PCCH].

The two alleged leftist sympathizers are under arrest and being held incommunicado in the Santiago prison by order of a military prosecutor, Vega and Araya's relatives reported.

The Government Social Communications Agency [DINACOS], the government press organization, said on 29 October that Vega and Araya are members of the Manuel Rodriguez Patriotic Front [FPMR] logistic section, and of the PCCH National Education Commission.

DINACOS reported that the ICAL is a PCCH front organization that orchestrates the masses. DINACOS also said that a considerable amount of subversive material was found in Vega and Araya's homes.

The DINACOS report was categorically denied today by Vega and Araya's relatives, while the ICAL qualified the situation as a "clumsy maneuver."

"Once again the government-controlled press supports the coordinated lies told to justify all sort of arbitrary procedures," the ICAL said.

/12913

CSO: 3348/90

CHILE

POLICE WARN PARENTS ABOUT 'SUBVERSIVE ELEMENTS'

PY110040 Santiago EL MERCURIO in Spanish 7 Nov 86 p C7

[Text] Carabineros yesterday alerted parents and teachers to the activities of subversive elements in high schools. These subversives use minors to disrupt public order.

The police released a declaration reporting the arrest of 168 students, 16 of whom have been placed at the disposal of the military court. The declaration also gives details of the violent actions during the takeover of the Dario Salas High School.

The police reported that some students suffered tachycardia, fainting and cuts when they tried to escape from the people responsible for the attack.

Regarding this incident Carabineros reported:

1. On 5 November about 0800, 168 students of other schools violently entered the facilities of the A-16 Dario Salas High School on 585 Espana Avenue.
2. After physically attacking Inspector General Jaime Matute More and Inspector Guillermo Deichler Balaunde several attackers wearing ski masks, handkerchiefs and hoods locked 35 teachers into a classroom.

Afterwards they locked the school's main door with chain and set up a barricade made up of furniture and other school material.

3. During the attack seven students suffered distress and fainting, another tachycardia and another several cuts while trying to escape from the attackers.
4. In the face of the seriousness of the incident Carabineros entered the school to restore order and arrested 85 men and 83 women who were not students of the Dario Salas High School.

The police also requested ambulance and medical assistance for the students and teachers who were injured by the attackers. The police also seized

65 incendiary devices, many sling shots, [linchacos], stones and other pointed objects. The police put 16 of the arrested at the disposal of the military court.

5. The chief of the Carabineros Metropolitan Area emphatically indicated that no one was injured during the police action to clear up the school, that the injuries were caused by the incident prior to the police action.

6. Carabineros alerted parents and teachers about the activities of subversive elements who instigate minors to obstruct public order and commit crimes against people and property.

/12858

CSO: 3348/95

## CHILE

### BRIEFS

GOVERNMENT TO ENLARGE ANTARCTIC RUNWAY--Santiago, 5 Nov (EFE)--Chilean President General Augusto Pinochet today announced the enlargement of a landing strip in the Chilean Antarctic. This information was disclosed by national tourism director, Margarita Ducci, at the end of a working luncheon with President Pinochet. Other government leaders and businessmen from the tourist sector also attended the luncheon. The paving and expansion of the landing strip in the Antarctic will allow regular airlines to fly to this continent and to increase the six annual tourist flights currently made to this area. During the meeting, the representatives of the tourist sector informed the chief of state about the prospects of 1986 becoming a "record" year regarding the number of foreign tourists to visit Chile--more than 500,000 have already contributed with save \$155 million. Among the requests made to the president were to improve the services at the border posts and the Santiago International Airport, as well as, to design a special plan to promote tourism in Valparaiso and Vina del Mar, 125 km northeast of this capital. [Text] [Madrid EFE in Spanish 0453 GMT 6 Nov 86 PY] /12858

STUDENTS HELD AFTER LYCEUM INCIDENT--Military prosecutor Enrique Olivares has ordered that eight over-age students remain under arrest at the former penitentiary building charged with being involved in incidents on 5 October at the Dario Salas Lyceum and ordered the release of another eight over-age students due to lack of evidence. Initially 168 students--85 male and 83 female students--were arrested during the incidents at the Dario Salas Lyceum. However, 152 students were released shortly after being arrested for being under-age. Lawyer Ricardo Bravo, who is defending the arrested students, after meeting with prosecutor Olivares said that the eight students were taken to the penitentiary building last night but that they were free to receive visitors. He added that the arrested students are charged with causing damage, disrupting order, and carrying explosive devices. [Text] [Santiago Domestic Service in Spanish 0930 GMT 7 Nov 86 PY] /12858

GEN URZUA'S KILLERS RECEIVE DEATH PENALTY--Santiago, 11 Nov (AFP)--The Chilean Supreme Court has declared the death sentence applicable for three individuals who have been convicted in the case of the murder of a general and two bodyguards, the court reported today. Hugo Marchant Moya, Jorge Palma Donoso, and Carlos Araneda, members of the Movement of the Revolutionary Left, which supports armed struggle against the Pinochet regime, have been convicted of those crimes. These three individuals were part of a larger



group that machinegunned General Carol Urzua and his two bodyguards on a Santiago street on 30 August 1983. General Urzua was the intendant (governor) of Santiago. The Supreme Court ruling, which was adopted unanimously by the 16 court judges, rejects the appeal filed by the defense lawyers, who contended that capital punishment (execution) would be applicable only after the National Congress, which is suspended until 1990, passes the appropriate law. The court maintained that capital punishment is applicable under the laws that have been dictated by the current legislative body made up by the commanders in chief of the Armed Forces and Carabineros. The military prosecutor conducting the case asked for capital punishment for Palma, Araneda, and Marchant. [Text] [Paris AFP in Spanish 1317 GMT 11 Nov 86 PY] /12858

MILITARY KILL 7 YOUTHS--Santiago, 3 November (EFE)--In a confusing incident in a shantytown in southern Santiago, one person died and two were wounded, one of them seriously, when two military men opened fire on a group of youths. The two military, who are noncommissioned officers of the Chilean Air Force, one of them retired, have said that they were attacked by a group of youths from the "Rene Schneider" housing development. They added that, as a result of the attack, they were forced to open fire, thus killing Manuel Antonio Bravo, 23, and wounding two other youths, one of them seriously. According to reports by relatives and friends of the victims, the youths had left one of the houses of the shantytown to buy drinks to continue their party, when they met the Air Force noncommissioned officer and his father who is retired. The relatives and friends of the dead youth have reported that, after a dispute, the nonidentified military men opened fire on the youths. Three friends of Manuel Antonio Bravo, and the two wounded youths are still under arrest, while the military men were taken to an Air Force unit. [Text] [Madrid EFE in Spanish 1400 GMT 3 Nov 86 PY] /12913

STUDENTS EVICTED FROM SCHOOL--Santiago, 5 November (AFP)--Student leaders have reported that five students were injured and more than 100 arrested in Santiago today when the militarized Carabineros police repressed a group of secondary students who had taken over a high school to demand freedom and democracy in the education system. The teenagers, belonging to several high schools in Santiago, occupied the Dario Salas High School. They were demanding the end of repression, the end of the privatization of schools, and the right to reorganize the old Santiago Federation of Secondary Students (FESES). The police who broke into the high school used powerful suffocating gases and water cannons to evict the demonstrators, prompting violent disturbances. The injured students, some of whom suffered cuts from broken glass and bruises from beatings, were hospitalized in an emergency clinic, while the detainees were transported to various police precincts. [Text] [Paris AFP in Spanish 1620 GMT 5 Nov 86 PY] /12913

CSO: 3348/90

SAMPER SAYS BARCO HAS LIBERALS' TOTAL SUPPORT

Bogota EL TIEMPO in Spanish 21 Sep 86 p 6-A

[Interview with Senator Ernesto Samper Pizano by Guillermo Perez; date and place not given]

[Text] Senator Ernesto Samper Pizano, a member of the Liberals' CPC [Central Political Commission], denied charges of confusion and chaos in his party. He maintained that there is complete liberal solidarity with President Virgilio Barco.

Samper was surprised by the recent criticisms of liberal leadership. He indicated that the relationship among the members of the CPC is good. He recognized that there are outbreaks of bureaucratic indiscipline but he considered this normal at the beginning of any government.

When talking with this newspaper, he added that to achieve liberal unity, Galanism must demonstrate the desire to reach an understanding with the majority sector. He pointed out that the liberal newspapers have not been concerned with publicizing the division in conservatism.

The senator pointed out that Congress is in a very productive stage. He announced that the liberal bench will vote together on the bills presented by the government.

He added: "In liberalism, there is discipline based on conviction, not the discipline for dogs that Laureano Gomez talks about."

Referring to stories about internal problems in liberalism, Samper said: "I am concerned about the twist that the news in certain mass media sympathetic to liberalism is taking. We are falling into the conservative trap of presenting adjustments to President Barco's new plan of government-opposition as if it were the beginning of the end of the liberal party. Laureano Gomez called this tactic the tuberculin test among the ranks of the enemy."

[Question] Is it true that there are disagreements in the CPC?

[Answer] The relationship among the members of the CPC is good. If there is competition between some of them, it would be legitimate but it has not

affected the decisions we have been making about party relations with the government and parliamentary management. For example, outbreaks of bureaucratic indiscipline are mentioned, but these are normal at the beginning of any government. They are magnified by the Conservatives who feel understandable anguish about the elimination of bipartisan collaboration. Why isn't the discipline that the liberal bench showed in the election of the constitutional commissions or in the election of the attorney general and liberal representatives on the executive boards mentioned?

#### Liberal Unity

[Question] Is liberal unity feasible after the government party did not want to reelect Senator Luis Carlos Galan to the Foreign Relations Advisory Committee?

[Answer] Liberal unity will be possible to the extent that Galan takes the initiative in acts of unity with the party. I have defended facilitating Dr Galan's return, but it is also important to understand that he has to take the initiative to return. We cannot go back nor can we, in the absence of new liberalism, make concessions to him that do not correspond to a mutual desire to reach an understanding with us. Therefore, it was impossible to appoint Galan to the advisory committee.

[Question] It is said that the Liberals have not held a unified position in the debates in Congress. What has happened?

[Answer] The conservative positions are presented in the debates. It is said that the liberal ministers did not respond, but what is not said is that the conservative summoners were fighting the shadow of President Betancur's government. The new ministers are just beginning to take over. The ultimate in paradoxes would be that we Liberals had to start defending Betancur's administration to the Conservatives.

#### Solidarity with Barco

[Question] There are many complaints against the CPC concerning inactivity in solving the problems. Is that true?

[Answer] We members of the CPC have patiently, without stridency or desire for publicity, dedicated ourselves to listening to the demands of the different regional groups and acting as mediators. In some cases like Boyaca, we have had success. In other cases, talks are now being held and are going well. We must not become impatient or think that this is the definitive way to evaluate party unity, much less the degree of liberal solidarity with President Barco which is total. There should not be any doubts about that. On the other hand, some friendly journalists are careful to tell what is happening inside conservatism, divided--as we saw last week in the Senate--between collaborationists who beg on bended knees to be called back to the government and oppositionists who reject city halls but accept embassies. There are also basic disagreements between former president Pastrana on one side, former candidate Gomez Hurtado and his boys on the other, and Gustavism itself which has declared itself an independent party. It is also forgotten that in

politics, as in soccer, the goals that go in are important, but so are those that are blocked.

#### Discipline by Conviction

[Question] Could the lack of discipline affect the legislative platform of the government?

[Answer] What happens is that we have not recognized that the balance of power changed. In Congress, for example, there is a dynamic that has not been seen for many years. Bills and initiatives are presented every day. The government no longer takes reforms to Congress as it did before to get their blessing, but to study them, defend them, question them. There were no periods of grace for President Barco's government or for the liberal party. The bureaucratic numbness of the past--when opposition began after appointments ended--is over. We can assure the public that the liberal bench will vote together on government bills after debating them and contributing their opinions and suggestions.

It is also good for the people to know that more than 60 percent of the liberal congressmen are here for the first time. We are learning the functioning of the Congress, beginning with its obligatory practices. We have met several times to discuss a liberal legislative agenda and the least we can ask our friends in the liberal press is to give all these new sectors a reasonable length of time to express and explain their concerns.

[Question] Is it true that part of the opposition to the CPC is due to hidden envy, that disease that Colombians suffer?

[Answer] Aspirations by those who think that the party could be better directed by them or by their idols are legitimate. Precisely for that reason, they have a green light to test their opinions in the convention on 5 December. There, with their capacity for democratic conviction, they can prove their qualifications as leaders. I understand that it is harder there than the trenches of paper and ink.

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CSO: 3348/40

## NEW AERONAUTICS DIRECTOR OUTLINES GOALS

Bogota EL TIEMPO in Spanish 15 Sep 86 p 13-A

[Article by Ana Lucia Duque Salazar]

[Text] The Civil Aeronautics director, Yezid Castano Gonzalez, is ready to make the technical aspect his administration's priority. However, he states that it will not be easy because "aeronautical decisions have not been made and are not always considered basic."

He has had broad experience in the air sector because he has been involved with Aires since its foundation and directed ATAC [Association of Colombian Air Transporters] for more than 3 years. He feels that, in safety, everything is urgent from training and review to having the proper technical equipment.

For that reason, he announced that one of his objectives will be that when airplanes are used for illegal purposes, they will not be retained by the authorities but their administrator or owner will be held responsible. He feels that the function of the airplane should be differentiated.

He will also restore the functions of the Safety Committee that "has not been very active recently." He will fight to make the CEA [Center for Aeronautical Studies] a real aeronautical university. He maintains that it will be necessary to somehow obtain the budget to achieve this. However, the training sector needs administration more than it needs large investments. There are institutions like the FAC [Colombian Air Force] and ACDAC [Colombian Association for Civilian Pilots] that have the necessary experience and international contacts.

He will try to facilitate the import of airplane parts and obtain the means to finance them. He pledges that he will do as much as possible to free a bid for \$18 million for the purchase of radio aids awarded 3 years ago but still tied up by bureaucratic red tape.

### Change in Image

Yezid Castano is also concerned about the problem of the "red and black stars" used by international pilots to classify airports and alert the union about safety problems. He feels this can be solved with determination and by

assigning priorities based on what is urgent and what can be done in the medium or long term.

According to the new chief, 2.5 years ago Colombia and Turkey took first place in lack of aeronautical prestige. There is the mistaken belief that the rate of airplane crashes in this country is one of the highest in the world. This is reflected particularly in the high insurance premiums.

He explained that this factor is one of the most important for airline expenses because the premiums are paid for in dollars. "There are cases where this reaches 20 percent of the total expenses of an airline," he indicated. He added that while insurance costs 2.5 percent of the value of the equipment in countries like Brazil and in some places less than 1 percent, in Colombia it can reach 18 percent.

For these reasons, Yezid Castano proposes to change Colombia's safety image at the national and international level. His strategy will be based on setting priorities for problems. This will be done through meetings with ACDAC pilots and other people and entities connected to the sector.

In less than a year, he will receive the results of PANA [National Aeronautical Plan], a study done by a Colombian-U.S. consortium. It will diagnose the situation of the sector in the country and set priorities by regions.

With this instrument, Castano hopes to determine exactly what is needed on the borders and in the National Territories as well as in the intermediate cities. In his opinion, aviation makes an enormous contribution to the development of isolated regions. The customer is not only the person who buys a ticket but also the municipality represented by its city hall and its needs.

In principle, he supports the policy developed by the previous administration that there be competition for the operation of trunk routes. As to the regional routes, he thinks that it is most important to expand coverage. He is convinced that the more services offered, the greater the demand for them because the customer will have the chance to return the same day.

#### Financing

Yezid Castano stated that he took over an organization that is not bankrupt, but its resources are not very flexible and it does not have many financial facilities. Therefore, he considers it appropriate to look at the possibility of increasing the domestic debt in order to finance several projects. He estimates that the National Aeronautics Fund has some 9 billion pesos for the coming year, 42 percent of which is committed to pay the debt service.

One option is to try to obtain support from the National Urban Development Fund which could finance some projects. In his opinion, airport infrastructure is closely related to urban organization.

In the particular case of the Eldorado Airport in Bogota, he maintains that the new parallel runway is necessary. From the technical point of view, it

seems to be the best alternative. However, he thinks that it is time to try to find financing from someplace other than the National Aeronautics Fund in order to avoid committing a high percentage of its resources to a single airport so they can be used in other airports in the country.

Although Yezid Castano knows the air sector, his ties have been always from the business side. Now it is up to him to handle the other side of the coin. He trusts that he can make substantial technical improvements even if the radio aids do not have tapes or opening plates.

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CSO: 3348/40

## DISTRIBUTION OF COFFEE EXPORTS INCOME OUTLINED

Bogota EL TIEMPO in Spanish 15 Sep 86 pp 1-A, 12-A

[Article by Carlos Pineros, editor]

[Text] The National Federation of Colombian Coffee Growers drew up a consolidated report on the distribution of the income from the bonanza (134,333,000,000 pesos) as of 31 August.

The federation unintentionally answered a question that many Colombians ask everyday. Where is the money from the bonanza?

The question arises because of the hope of using those resources to alleviate the many needs that weigh down the community.

Based on the agreement signed between the federation and the government to distribute the benefits of the bonanza, the distribution provides infrastructure to generate energy, exploitation of natural resources, recovery of the financial system, support for industry, coverage of obligations abroad, and reasonable remuneration for the coffee producers.

The bonanza is due to the fact that Brazil was supposed to export 22 to 24 million sacks of coffee but, because of climate problems, those shipments only reached 14 to 16 million sacks. Since the supply decreased, prices increased. The corresponding benefit for Colombian exports created the bonanza.

As of 31 August, there was a treasury surplus of 134,333,000,000 pesos. Of this, 34 percent went to the National Coffee Fund, 33 percent to the growers, and 33 percent to the government.

This means that 45,673,000,000 pesos entered the fund, 44.33 billion pesos went to the growers, and 44.33 billion to the government.

The fund has redistributed 9,197,000,000 pesos to the Betania hydroelectric project and 10,147,000,000 pesos to CARBOCOL [Colombian Coal, Inc.] mines. It has 6,784,000,000 pesos left for other operations and has 19,545,000,000 pesos frozen in the Bank of the Republic through the purchase of participation bonds.



From the growers, the Guarantee Fund of Financial Institutions has obtained 25.3 billion pesos, 300 million pesos have been channeled into medium-term credit for the growers, the National Federation of Colombian Coffee Growers has received 1.6 billion pesos, and 17.13 billion pesos have been placed in participation bonds.

Out of the government's part, 17.2 billion pesos have been placed in TREC bonds issued by the Bank of the Republic, 3,705,000,000 pesos went to the IFI [Industrial Development Institute], 1,543,000,000 pesos have gone to the public debt service (payment of interest and capital), and 21,882,00,000 pesos are in participation bonds.

In addition to giving attention to these priority fronts, they have kept 75 billion pesos out of circulation. This would have further aggravated the excess of currency in circulation with its negative consequences on consumer prices for goods and services.

The objective of all these movements has been to improve the revenue of different sectors in order to increase the supply of jobs along with reasonable levels of remuneration.

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CSO: 3348/40

## POOR COTTON CROP BLAMED ON DROUGHT, GUERRILLAS

Bogota EL TIEMPO in Spanish 27 Sep 86 p 13-A

[Article by Celmira Figueroa]

[Text] Barranquilla--The hard summer and the guerrilla cells noticeably hurt the cotton fields on the Atlantic Coast, according to various delegates participating in the 21st CORAL [Cotton Growers Corporation of the Coast] Assembly.

The group is meeting at a time when the future for the cotton sector is considered bleak because of international prices, internal production costs, limited credit, and the absence of a coherent marketing policy between growers and industrialists.

Through their delegate, Luis Martinez, the growers in Cerete argued that the summer hurt the fields. They have had to replant the crop which meant incalculable losses.

They added that the reigning insecurity due to constant harassment by the guerrilla cells "keeps the businessman and farmer from going out to freely plant their hectares."

They recalled, for example, that farmer Mauricio Rojas was recently shot on his own farm in Cienaga de Oro by alleged guerrillas. Many of the cotton growers in other parts of Cordoba have been threatened and, for that reason, do not go out into the country.

Rene Puche Navarro, general manager of CORAL, pointed out at the opening of the assembly that high production costs, irregular rains, and the critical national situation have significantly affected the fields. He indicated that there will be strict control over the delivery of supplies.

The assembly opened yesterday afternoon in this city with more than 100 delegates from cotton regions along the coast like: Cerete (Cordoba); San Pedro and Sincelejo (Sucre); Codazzi, Copey, and Valledupar (Cesar); Sabanalarga and Repelon (Atlantico); and Riohacha.

Puche Navarro said that, in 1985-86, the group had 31,674 hectares planted and produced 46,238 tons. This was translated into 16,701 tons of fiber and 25,270 tons of seed. Of these, 7,000 were exported for \$6.5 million.

He said that CORAL still owes PROEXPO [Export Promotion Fund] 269 million pesos as a result of the losses of the 1977-78 harvest.

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CSO: 3348/40

## BRIEFS

CARBOCOL'S COAL EXPORT PROJECTION--The new president of CARBOCOL [Colombian Coal, Inc.], Oscar Mejia Vallejo, stated that this enterprise will export 6 million tons of coal this year. The policy of the company which is beginning to penetrate the world markets will be based on strict compliance with contracts signed with buyers abroad and the good quality of the coal that it sells. CARBOCOL exports to Denmark, France, Spain, the United States, and Panama. Mejia Vallejo indicated that no coal from CARBOCOL or INTERCOR has been sold to Brazil nor are there export prospects right now. He added that coal samples are taken continually from two El Cerrejon deposits in order to measure the caloric content, water, ash, and certain chemical products that produce pollution like sulfur. Colombian coal is known for its low sulfur content and is considered internationally to have excellent quality. For this reason, CARBOCOL is now the fifth largest coal exporter in the world. When it reaches full production, it will be the largest in the world. [Text] [Bogota EL TIEMPO in Spanish 20 Sep 86 p 12-A] 7717

CSO: 3348/40

BALAGUER ANNOUNCES DEBT RENEGOTIATION

Santo Domingo LISTIN DIARIO in Spanish 27 Sep 86 pp 1, 13

[Article by Maximo Manuel Perez]

[Excerpt] President Joaquin Balaguer announced yesterday that the government will renegotiate the foreign debt because the country is not in the position to pay some \$700 million in interest and amortization before the end of the year.

At the same time, he stated that this renegotiation will necessarily entail the adoption of new adjustment measures. Some will be similar to those adopted by the former government after signing an agreement with the IMF.

Balaguer felt that payment of \$700 million in the next 3 months is an enormous burden for the current government. It is still not known where those resources would come from, especially when exports and taxes have decreased considerably.

He said: "It will be necessary to make them"--adjustments--in order to pay the foreign debt service.

Balaguer stated: "The country cannot commit suicide." He was endorsing the position of the governor of the Central Bank that the country cannot pay the foreign debt.

He assured that the necessary interests and amortizations must be paid. There would be serious consequences for the country if it did not meet those commitments. However, this cannot be done immediately.

Speaking at his regular weekly press conference, the president stated: "It cannot reach the extreme that we do not pay the debt." "I believe the country can pay part of the debt."

In his opinion, "it is necessary to make readjustments and see to what extent, with the necessary sacrifices, we can reduce those commitments and pay part of those interests as quickly as possible."

He revealed: "The country cannot pay \$700 million in 3 months because there is no place we can obtain that amount of money."

Balaguer stated: "As we all know, exports have really dropped and the country does not have foreign currency."

He maintained that, facing this situation, "we have the urgent need to find new adjustment measures in order to meet our foreign debt commitments."

He stressed that "the Dominican Republic must ask for new adjustments because we do not have the funds to meet those commitments. We do not have the funds unless we resort to new loans and new loans would aggravate the situation and increase the foreign debt."

The president criticized the previous government for having promised to pay "such an exorbitant" sum as \$700 million by the end of this year.

The new renegotiation of the foreign debt will be aimed mainly at trying to give the government more time to make interest payments and amortize part of the capital that is estimated at some \$3.5 billion.

7717

CSO: 3248/26

DOMINICAN REPUBLIC

CHILD MORTALITY, BIRTH RATES REPORTED

Santiago EL NACIONAL in Spanish 24 Sep 86 p 34

[Excerpt] About 20 percent of the children born in this country die before the age of 5. Of the 80 percent that survives, 59 percent are undernourished.

Vilma Weis de Gerardo made these disclosures in a paper that she presented at a workshop organized by the Dominican Development Foundation on "The Situation of Orphans in the Dominican Republic."

She maintained that three out of every four children born in this country grow up in environments which do not meet their physical, social, and intellectual needs.

She added that an average of 4.21 children are born to each woman of fertile age--from 15 to 49 years of age. This yields a gross birth rate of 43.9 percent.

She stated: "This means that about 35 children are born for every 1,000 inhabitants."

She said that, complementing these data, there is a high infant mortality rate.

She stated: "This rate is the number of deaths among infants under the age of 1 year; it is 74 out of every 1,000 born."

Based on official data, Weis de Gerardo said that the school population not in school totals 417,760 children from 7 to 14 years old.

She recalled that, in 1942, the Secretariat of Public Health established homes for infants, nursery schools, and homes for abandoned children and orphans.

Several institutions in the private sector now contribute to those centers economically and with other support or make themselves protectors of minors as in the case of the Dominican Development Foundation.

7717

CSO: 3248/26

# REVIEW OF TRADE, COOPERATION WITH CUBA BRINGS ACCORD

## Focus of Meeting

Georgetown GUYANA CHRONICLE in English 26 Sep 86 pp 1,5

[Text] A seven-man Cuban delegation is currently holding discussions with various senior Government officials and representatives, as the five-day review meeting of the Guyana-Cuba 11th Joint Commission continues.

Discussions yesterday centred on economic, industrial and trade co-operation projects set up between the two countries over the past year. Talks were held at the Boardroom of the Department of International Economic Co-operation (DIEC), Brickdam and Avenue of the Republic, and at the Ministry of Trade.

During their one-week stay, the team which arrived on Wednesday, is expected to review bilateral co-operation projects between the two countries in three main areas—economic and industrial fields, scientific and technical fields, and educational and cultural fields.

Discussions will however be mainly on areas of scientific and technical collaboration.

The Cuban delegation is led by Head of the Americas

Division of the State Committee for Economic Co-operation, Roberto Rivas. Other members are, representative of the State Committee for Economic Co-operation, Leonardo Valdesuso, representative of Ministry of Foreign Trade, Marilou B. Hamel, representative of the Ministry of Foreign Relations, Astrid Blomgist, representative of the Ministry of Public Health, Martha Valdez, representative of the Ministry of Agriculture, Osvaldo Carvagal, and Cuban Enterprise representative Luis Martinez.

Also forming part of yesterday's team at the plenary session were Cuban Ambassador to Guyana, Lazaro Cabezas Gonzales, Economic Attache Martha Rodriguez, Cultural Attache Jorge Perez, Commercial Attache Manuel Sanchez and interpreters Daysi Castellanos and Damaris Issac.

Leading the Guyanese delegation is Head of the DIEC, Dr Cecil Rajana. Other members of the Guyana team include other DIEC officials, and representatives from Guyana

National Engineering Corporation, Guysuco, GPC, Guyana National Bureau of Standards, Guyana Film Centre and other Government agencies and ministries.

The two teams are also expected to examine other areas of possible trade co-operation and expansion, among them being glass production, the sugar industry and forestry production.

Trade Discussions will conclude on Monday and other talks should be completed later in the week.

Tomorrow the delegation will visit a major sugar-producing area, Rosignol-Blairmont.

Signing of the minutes of the meeting will be done on Wednesday at the DIEC Boardroom and the team will depart the next day. Additional details related to talks during the five-day meeting will be released after conclusion of the visit.

Earlier this year, Guyana and Cuba signed a major \$3.5m US trade protocol at a similar joint Commission meeting in Havana.



## Joint Commission's Work

Georgetown GUYANA CHRONICLE in English 30 Sep 86 p 1

[Text]

A draft agreement on continuing co-operation between Guyana and Cuba will be signed this afternoon in the boardroom of the

Department of International Economic Co-operation (DIEC).

The agreement which focuses on technical and economic co-operation also contains new proposals for joint ventures between the two countries, a DIEC official said yesterday.

The agreement was drafted during a review meeting of the Guyana-Cuba Joint Commission, at which projects in the economic, industrial and scientific fields were con-

sidered. The meeting began last Thursday.

It is understood that the sugar industry and the forestry sector were among areas identified for further collaboration.

This week's agreement will be submitted for approval at the next meeting of the Guyana-Cuba Joint Commission scheduled for early next year.

Leading the Guyanese delegation to the talks is Head of the DIEC Dr. Cecil Rajana while the Cuban side is led by Head of the Americas Division of the State Committee for Economic Co-operation, Roberto Rivas.

## Signing of Agreement

Georgetown GUYANA CHRONICLE in English 1 Oct 86 p 1

[Article by Dhanraj Bhagwandin]

[Text] A review meeting on co-operation between Guyana and Cuba concluded yesterday at the Department of International Economic Co-operation [DIEC] with the signing of an agreement covering proposals for new projects between the two countries.

The projects in agriculture and mining will be considered at the 12th meeting of the Guyana-Cuba Joint Commission scheduled for the end of 1986.

According to the head of the Cuban delegation, Cde. Roberto Rivas, the cooperation talks which started last week with a seven-member Cuban delegation were conducted in an atmosphere of friendliness and mutual understanding.

The discussions centered on economic and Industrial co-operation as well as Education and Cultural Co-operation and Trade.

A review was undertaken of projects between the two countries in Agriculture, Industry, Health, Education, Culture and Sports.

"The consensus was that by the end of the 3rd quarter the performance of the work programme (1986) was satisfactory," a DIEC statement said at yesterday's signing ceremony.

Discussions on trade matters focused on the barter arrangement between the two countries.

Under the arrangement, Cuba would supply several products including cement, salt, tobacco, and detergent in exchange for rice, wood, furniture, kaolin and other commodities.

It is expected that by the end of this year, both sides would achieve balanced trade, the DIEC statement added.

During the meeting, proposals for trade in 1987 were also examined and according to DIEC, these have shown that there are good prospects for increased trade.

Guyana's delegation to the talks was lead by head of DIEC Dr. Cecil Rajana.

/7358

CSO: 3298/034

PPP PRESS RELEASE ASSAILS GOVERNMENT TALKS WITH IMF

Georgetown MIRROR in English 14 Sep 86 p 1

[Text]

The following press release was issued by the PPP:

The People's Progressive Party is calling on the government to stop its double talk in relation to the International Monetary Fund (IMF). The government must neither sign a new IMF agreement nor implement new IMF proposals. The workers suffered from the first "dose" and must not be made to suffer more from a second "dose" of the bitter IMF medicine.

Against warnings by the PPP, the government signed an IMF agreement in 1978. The situation worsened, and in the early 1980s the late President Burnham described new bitter IMF austerity proposals as "a recipe for riot".

Despite that statement, the government went ahead to implement several anti-working class measures which were stipulated in a Letter of Intent to the IMF in 1982. This led to severe hardships. Today the workers' minimum wage can buy only half of what it bought in 1977.

The IMF's austerity programmes are now widely condemned all over the world. Even Prime Minister Edward Seaga of Jamaica is critical of the IMF. President Alan Garcia of Peru has called the IMF an imperialist instrument.

The PPP says NO to a new IMF Agreement or to any surreptitious implementation of IMF proposals. Apart from this, any IMF credit to the minority PNC regime will be wasted as before.

/7358

CSO: 3298/034

GUYANA

MUNICIPAL ELECTIONS CALLED; PPP SEEKS OUTSIDE OBSERVERS

FL232324 Bridgetown CANA in English 2053 GMT 23 Oct 86

[Text] Georgetown, 23 Oct--Representatives of five opposition political parties were meeting today to discuss the forthcoming long-delayed municipal elections.

The meeting of the parties, which comprise the Patriotic Coalition for Democracy (PCD), came hours after they were told by government that a voters register was being prepared for the five municipalities.

The main opposition Peoples Progressive Party (PPP) called in a statement for democratic elections, saying it had taken 15 years of struggle by the Guyanese people to push the government to hold a poll.

The PPP is demanding that foreign observers be allowed to visit Guyana for the elections. If the government refuses the request, it would certainly be having something to hide, the PPP said.

The PPP joined the Working Peoples Alliance, the Democratic Labour Movement, the Peoples Democratic Movement, and the National Democratic Front in the PCD to press for new general elections after last December's vote was marred by opposition allegations of fraud. The government denied the charges.

Voters lists for the areas of Georgetown, New Amsterdam, Linden, and Rosehall and Corriverton are expected to begin appearing this weekend.

A date for the elections is still to be announced.

/7358

CSO: 3298/034

PNC EXECUTIVE PLAN TO 'STREAMLINE' MEMBERSHIP UNDER WAY

Georgetown NEW NATION in English 14 Sep 86 p 3

[Text]

The People's National Congress is in the process of streamlining its membership in keeping with a decision by the Central Executive Committee of the Party.

The Party constitution provides for probationary membership and full membership. According to Senior Executive Secretary, Party Affairs and Mass Organisations Cde Kenneth Denny, it is a constitutional requirement that any member of the Party, who having satisfactorily served a probationary period of not less than one year, shall be considered for full membership.

If at the end of the period of attachment a probationary member's

performance has been adjudged to be unsatisfactory, the executive of his group may extend his period of attachment.

Applications for full membership are normally accompanied by three passport size photographs. However, to expedite the process, consideration has been given for applications to be submitted pending the availability of such photographs.

The Party is concentrating on further strengthening itself both quantitatively and qualitatively. It has been attracting hundreds of new members for the membership year beginning June 1986, in addition to renewing existing membership.

/7358

CSO: 3298/034

REPORTAGE ON ANNUAL TRADES UNION CONGRESS CONFERENCE

TUC President's Remarks

Georgetown GUYANA CHRONICLE in English 24 Sep 86 pp 1,4

[Text] The 33rd Annual Delegates' Conference of the Trades Union Congress kindled strong support for trade union unity, strength, and independence, as it opened at the Critchlow Labour College yesterday evening.

TUC executive members, Prime Minister Hamilton Green, Cabinet members and other Ministers of Government, representatives of the major religious denominations, together with the some 300 delegates from at home and abroad joined in the opening ceremony.

President Desmond Hoyte, President-General of the oldest local union, the Guyana Labour Union, declared the conference open, while TUC President George Daniels delivered a President's address.

"Solidarity forever, for the union makes us strong" the gathering lustily rendered the union song, a fitting composition for a conference being held under the theme "Towards Greater Trade Union Unity." From the unity of the workers will derive maximum benefits for the trade union movement and the nation as a whole, said TUC President George Daniels.

When the business sessions of the conference begin this morning, unionists should make a united effort to seek correct solutions to the several matters concerning workers' welfare which are to be discussed, Cde. Daniels said.

"Let us not dwell in the past," he told the gathering, urging that instead the movement goes forward and create a bright future for the workers and the Guyanese society. He expressed confidence that there will be progress.

Both the TUC President and President Hoyte dealt with the need for independence of the movement.

The fruitful discharge of trade union duties requires independent action, President Hoyte said. Unionists, as citizens, will have political, religious, cultural and other loyalties "but any attempt to use the movement as an instrument of any of these personal loyalties" would be incompatible with independence.

During the opening session, speakers highlighted how far unionism has come in Guyana, and the Police band carried the emotion to a pitch with a rendition of "Born Free."

Messages of congratulation and solidarity from fraternal organisations and other groups and agencies in Europe, North America and the Caribbean were read during the opening session.

International solidarity was also stressed by President Hoyte and the TUC President, who both made strong condemnations of the abominable apartheid system practised in South Africa.

"It is only a question of time," for the Black people of South Africa and Namibia to be free, Cde Hoyte stated. "Let us work together to hasten the day of their freedom," he urged. Cde. Daniels called on all governments and progressive forces to impose sanctions on the Pretoria regime to help bring an end to the "wicked" apartheid system.

#### Hoyte Address

Georgetown GUYANA CHRONICLE in English 24 Sep 86 pp 1,4

[Article by Colin King]

[Text] *The current 33rd Annual TUC Conference should be an occasion for healing and reconciliation within the movement, serving to preserve its integrity and "enhance its usefulness and prestige." President Desmond Hoyte said last evening.*

*Within recent times the trade union movement "has been sundered by unseemly and unnecessary internal strife," resulting perhaps from a failure to grasp correctly the nature of the movement in a post-colonial Guyana.*

"I think that the time is propitious for that role to be clearly defined in the light of current developments", Cde Hoyte said in an opening address to the six-day conference which he said was potentially a "historic watershed in the evolution of the movement."

The President suggested that trade union militancy be considered in its "expanded, modern connotation."

The modern concept of militancy would require unions, by their active participation to ensure that the decision-making, management and planning processes of the State are efficient, and effective, and produce results which "benefit the economy and enhance the welfare of the workers."

The movement must however gear itself to take advantage of its constitutional rights and opportunities, by acting now to develop an organisational capability to function effectively in the contemporary environment.

The constitution, Cde Hoyte reminded the gathering, provides for "a prominent and pervasive role" by unions in the management and decision-making processes of the State.

Unity in the ranks of the movement is however a basic condition for it to take up the "authoritative role assigned it in the constitution." The President noted with satisfaction that the theme

of the conference, is "Towards Greater Trade Union Unity," and advised that unity should be the product of vigorous, open debate.

If members and affiliates of the TUC are free to promote their own views for consideration in arriving at decisions, the movement "can always present a credible, united front."

Cde Hoyte was explicit on trade union-Government relations: "we have a Government that is unapologetically supportive of the movement."

He challenged the movement, however, to

come to grips with its present rights and opportunities. It has to date been the recipient rather than the promoter of national policy and has "tended to react rather than to initiate."

As a result, Government in its formulation of policies has been deprived of the wealth of experience and expertise within the

movement and "the nation has been the poorer," Cde Hoyte stated.

In his address, for which he received a standing ovation, Cde Hoyte spoke of the importance of Government and unions working in co-operation. He expressed hope that the two parties will work together to improve the mechanisms and procedures already in place to bring about "structured dialogue and fruitful co-operation."

"Our common interest in the well-being of our workers and our country

requires and demands that we intensify and expand such dialogue and co-operation."

Cde Hoyte pointed out to the more than 300 delegates and observers that the conference will deal with "bread and butter issues" such as jobs, prices, wages, and distribution. This will be tied up with the economic circumstances of the country and the world

economy, he added.

Survival into the next century demands an un-

derstanding of the profound changes in the world economy, and the making of necessary adjustments "not

only in our economic structures but in our approaches to work and to life in general."

The movement, must accept the need for change and be a force for change, if it is to protect its members' interests and be of real service to the nation, the President said. Cde Hoyte referred to the recent reimportation of wheat, and told the unionists that this is at best a "palliative."

Efforts must continue for self-sufficiency in indigenous flours and basic foods generally. "I urge congress to identify fully with the campaign to promote the objective of food self-sufficiency and food security."

#### More on Hoyte Speech

Georgetown GUYANA CHRONICLE in English 26 Sep 86 p 1

[Text]

TRADE union militancy today must have a wider, deeper and more fulfilling connotation than the meaning traditionally applied, President Desmond Hoyte told the opening of the 33rd Annual Delegates Conference of the TUC Tuesday.

In defending the workers and fighting for better physical working conditions, the movement has not been

wanting in the traditional militancy, he pointed out.

However, Cde. Hoyte stressed that improved conditions at the workplace are not unrelated as a rule to an improved performance in the economy. The promotion of the workers' vital interests, he suggested, requires stability, balanced growth and development in the country. Achievement of these objectives, he

proposed, cannot be left to the Government alone.

"It is here that trade union militancy in its expanded modern connotation comes into play," the President said.

"The modern concept of militancy for which I am arguing would require the movement to ensure, by its active participation (in the constitutional processes for decision-making, management, and planning), that these processes are efficient and effective and productive of results that would benefit the economy and enhance the welfare of workers."

Government has sought to give effect to this objective in many ways, the President said.

He referred particularly to the trade union representation on the Planning Commission at the level of the State Planning Board and the National Economic and Social Council and its various committees. The movement is also represented on boards of various Public Sector corporations and other governmental agencies.

The movement has, however, to gear itself to take advantage of the rights conferred on it by law, the President told the gathering.

"I hope that this matter will engage the attention of Congress and that suitable decisions to improve the movement's capability to discharge its constitutional role will be taken," he told the conference, which ends Sunday.



## PPP Assessment

Georgetown MIRROR in English 28 Sep 86 p 4

[Text] The trade union movement continues to be on shaky grounds as vital structural and constitutional changes to allow for a more democratic institution are yet to be made.

The issue of the democratisation of the trade union movement has long been a subject of heated debate and a source of deep rifts which last year resulted in an aborted TUC conference. This year, too, the matter came up and held up the 33rd conference for two days.

When the conference began Tuesday last, the Credentials Committee reported that the General Workers' Union (GWU) was not properly seated. A majority report of the Committee proposed 9 delegates to the GWU and not the twenty that the union demanded, based on certain irregularities. The PNC controlled 17-union bloc, protested the 'disenfranchisement' of part of the GWU delegation while the 6-union bloc insisted that the bloating of the membership of pro-PNC unions is one of the ways the PNC maintains control over the TUC:

Early Tuesday morning problems began. At the time of the roll call, the PNC unions refused to answer their names, because the Chairman ruled that only 9 GWU delegates would be seated. Those who did constituted a quorum. There were sentiments to the effect that President George Daniels, the chairman, should then have proceeded without the PNC unions, but he called for unity and a resolution of the problems. The PNC unions subsequently took up their seats.

The jostling over the Credentials Committee report went on for two days. A vote was taken on Thursday afternoon. Before it was taken the six-union bloc staged a walk-out and the GWU was seated with 20 delegates. The following morning the Conference was convened with all the 24 affiliates present.

Up to press time there were indications that the remaining days will not see any major disruption. It is feared however, that due to the time lost, vital issues such as motions and reports would not be discussed. There is one motion calling for the amendment of the TUC rules to make it possible to verify the membership of the affiliates so that there would be no inflation of membership gain voting strength at conferences. It is understood that a motion is to be put to the conference for the convening of a special conference to deal with the rules and constitution of the organisation.

Guyana's President, Desmond Hoyte, in opening the conference on Monday last, stated that it was not the intention of the government to control the TUC, and that he believes in an independent trade union movement. The subsequent behaviour of top PNC officials who are delegates to the conference contradicted that position as their main focus is to capture the leading positions of the TUC which were taken away two years ago.

According to observers, the TUC conference this year will do very little to heal the wounds in the labour movement. The six-union bloc is said to be thinking

hard about their involvement in a trade union body which is not democratic and cannot deal with the many burning issues confronting the workers of the country.

George Daniels, and as the many motions indicate, pointed out the many areas which are still of great concern to the workers. These include the \$25. per day minimum wage. The TUC is to shortly make proposals for salary increases for next year. Daniels also said that the TUC is against wage freeze and the deterioration of real wages. He also spoke out against the 'privatisation' of state-owned agencies, unemployment, retrenchment and called for a planned development of the economy.

#### Election Results

Georgetown GUYANA CHRONICLE in English 29 Sep 86 pp 1,4

[Article by Colin King]

[Text]

*REPRESENTATIVES of the Trade Union Movement yesterday returned George Daniels unopposed as President of the Guyana Trades Union Congress (TUC) for a second two-year term.*

At elections on the final day of the six-day TUC 33rd annual delegates' conference, more than half a dozen nominees withdrew from the Presidential contest, including Albert Boodhoo, Clive Thomas, Gordon Todd, and the much-favoured Selwyn Felix.

The some 300 delegates had by Press 5 time completed election of the three Vice-Presidents (Frank Andrews, Selwyn Felix, and Cleveland Charran), the Principal Assistant Secretary (Seelo Baichan), the three

Assistant Secretaries (T. Anson Sancho, Christopher James, and Frank Facey), the Organising Secretary (Agnes Bend-Kirton), the Assistant Organising Secretary (Janki Persaud), and the Treasurer (N.K. Gopaul).

The conference, at the Crichtlow-Labour College, was continuing with the business of electing the Executive Committee members.

Shortly after his re-election, Daniels, who is President of the Guyana Public Service Union, in a brief comment thanked the delegates for the confidence shown in him.

Other positions in the TUC executive that were settled

by early evening went to the ballot, although there were withdrawals by several nominees.

Frank Andrews of Amalgamated Transport and General Workers' Union (ATGWU) captured the first Vice-Presidency for a second consecutive two-year term, gaining 144 votes. The second and third Vice-Presidencies respectively went to Selwyn Felix, of Postal and Telecommunication Workers' Union (FTWU) with 130 votes, and Cleveland Charran of Man Power Citizens' Association (MPCA) with 127 votes.

Defeated were Gordon Todd, of Clerical and Commercial Workers' Union (CCWU), polling 119 votes, Kornel Chand of Guyana Agricultural and General Workers' Union (GAWU), polling 102 votes, and Frank Facey of ATGWU, polling five votes.

Todd and Chand were second and third Vice-Presidents respectively in the last executive. Among those who withdrew from the race for the Three Vice-Presidencies before the poll was taken were Jean Persico, Samuel Walker, and Sallahuddin.

In the election for the position of Principal Assistant Secretary, a contest in which Seelo Baichan of Union of Agricultural and Allied Workers (UAAW) scored a close 120 to 107 votes victory over T. Anson Sancho of Association of Masters and Mistresses. Frank Facey, who is understood to be out of the country, recorded no votes in the poll, from which earlier withdrawals had been made by N.K. Gopaul of National Association of Agricultural and Commercial Employees (NAACIE) among others.

S.R. Thorne, holder of the

position of principal Assistant Secretary in the last executive did not contest the election.

T. Anson Sancho and Frank Facey were returned to their positions as Assistant Secretaries but Christopher James won the position previously held by Norman Northe, who did not contest. F. Agard was defeated in his bid for one of the three positions of Assistant Secretary.

Agnes Bend-Kirton unseated the past Organising Secretary, Lincoln Lewis, polling 124 votes to his 107 in a straight fight made possible by the withdrawal of other nominees.

Janki Persaud was returned to the position of Assistant Organising Secretary, as was N.K. Gopaul to the position of Treasurer.

Fifteen Committee Members were also to be elected before the end of the conference.

## Unity Theme

Georgetown GUYANA CHRONICLE in English 30 Sep 86 pp 1,4

[Article by Colin King]

[Text] *UNITY of the working forces is the main issue facing the local Trade Union Movement, TUC President George Daniels said yesterday, in the wake of the 33rd Annual TUC Delegates' Conference, which ended Sunday.*

*The conference, in spite of some divisions which surfaced over much of two days, "went a far way" in promoting unity in the movement as a result of the maturity shown by delegates, Daniels said.*

The trade unionist, who is also President of the Guyana Public Service Union, in an interview, expressed confidence that decisions made at the six-day conference will be to the benefit of workers and the nation. "What is left to be done is for the spirit of unity to continue outside of the conference."

Cde. Daniels was returned unopposed to head the new executive of the TUC at elections held Sunday when

the conference wound up at the Critchlow Labour College.

The election of the various officers and the 15-member executive council was virtually the final business of the often hectic conference. A special meeting is scheduled to be held by March next year, to consider unfinished items on the agenda of the just-concluded meeting, including consideration of

proposed amendments to the TUC constitution, the 1987 budget, and some of the standing committees' reports.

A Press conference is to be held later in the week, at which TUC officials will report on the specific outcomes of the recent conference.

In his brief comment to the Press yesterday,

however, Cde. Daniels spoke of the need for leaders in the movement to appreciate the importance of the workers' wishes, if the movement is to proceed in

united action in the interest of the workers.

The TUC executive will be continually meeting with workers at their worksites across the country, listening to their problems and their recommendations for improving the functioning of their organisations.

Meanwhile, the final returns from the TUC

elections, which were completed Sunday evening, added the following 15 executive committee members to the new executive: Albert Boodhoo

(GAWU), Stanton Critchlow (GLU), Kenneth Denny (AM&M), A. Fariev-Thompson (GPSU), Andrew Garnett (GLGOU), Lincoln Lewis (GBSU), Stephen Lewis (GBSU), E. Marcus

(PIAWU), Alan Munro (GPSU), Jean Persico (GTU), Sallahuddin (GTU), Lennox Simon (GBSU), Gordon Todd (CCWU), Samuel Walker (GLJ), and Earle Welch (ATGWU).

/7358

CSO: 3298/034

## NICARAGUA

### BRIEFS

**PRISON POPULATION STATISTICS**--Prison population in Nicaragua: 8,160. Of these: 3,910 are ex-Somocista guardsmen and counterrevolutionaries; 4,250 are ordinary criminals; There are 250 prisoners for every 100,000 inhabitants; 34 percent of the prison population has not been tried because of delays and limitations in the court system; 60 percent of the inmates participate in the voluntary work program, and receive wages for their work; 10 percent of the prison population is now in the open regimen stage; 2,059 ex-Somocista guardsmen and counterrevolutionaries have moved to the family living regimen in the past year. The rate of recidivism among the latter is 0.4 percent. [Text] [Managua BARRICADA INTERNACIONAL in English 2 Oct 86 p 8] /9274

**GDR CORN DONATION**--The National Enterprise for Staple foods, ENABAS, received 26,300 tons of yellow corn donated by this GDR. The corn, which arrived at Corinto, will be stored in people's supplies distribution centers in Chichigalpa and Leon. [Summary] [Managua EL NUEVO DIARIO in Spanish 28 Oct 86 p 8 PA] /12624

CSO: 3248/63

# MAS SECRETARY GENERAL ON POLITICAL, ELECTORAL SITUATION

Caracas EL NACIONAL in Spanish 27 Sep 86 p D-2

[Article by Leopoldo Linares]

[Text] It is not true that the national political landscape is polarized. Nor is there any indication today that the polarization that marked the previous three electoral contests will be repeated in 1988. On the contrary, the next elections may be very different.

These remarks were made by Deputy Freddy Munoz, the secretary general of the Movement Toward Socialism (MAS), to counter those who have asserted that the country could see a repeat of the polarization that marked previous elections. To support his argument the MAS leader points to the findings of the most recent polls. He says that the administration and Democratic Action will become increasingly discredited and notes that COPEI "remains stuck below 20 percent, because the memory of the tremendous damage that the previous administration did is like a crushing burden on it." He indicated that when former President Rafael Caldera says that there is no alternative to COPEI, "he is playing the game that best suits his party and him in particular."

"MAS will not proceed like AD and COPEI," Freddy Munoz asserted, "We will not hasten the nomination battle. We will act when it is truly indispensable to make a decision. Moving the electoral debate forward, above all the debate on presidential nominations, is bad for the country. When AD and COPEI do so, they are behaving irresponsibly."

## No Polarization

The lengthy conversation with the MAS secretary general, during which he analyzed the country's political and electoral situation, took place at the MAS national headquarters in the Las Palmas real estate development. When we mentioned to him that the phenomenon of polarization that marked previous elections is alive and well, Freddy Munoz flatly denied it, assuring us that it does not exist now and that there are no signs that it will be present at the 1988 elections.

"The mass media are regularly reporting that the polarization that occurred at the last three elections will be repeated in 1988. In fact they are saying

that it will be even more pronounced. Yet there are no grounds at present for such a prediction. Rather, the signs are that the opposite may happen, in other words, that the next elections will be very different from the previous ones."

"What signs are you talking about?"

"I am talking, for example, about the very important signs that the polls are giving, because as long as there are no intentional distortions, the polls reflect what the man in the street is thinking and feeling. The findings of the latest polls that have been made public in recent months are that AD and COPEI do not account for more than 60 percent of the expressed preferences. The remainder of the respondents, who make up a very large proportion of the total, are for MAS and other parties or say they will not vote or are undecided. Public opinion was not like this at the halfway point of previous administrations."

"Do you think that today's numbers will hold or will campaign publicity alter them?"

"The situation could hold and even move further in its current direction. Most likely, the administration and AD will become increasingly discredited, because the economic and social bad times will probably continue, and discontent will remain the same or increase because the administration and AD are opposed to the democratization of the political system."

"And won't COPEI improve its standing?"

"The opinion polls clearly show COPEI stuck below 20 percent. The memory of the tremendous damage that the previous administration did is like a crushing burden on it."

"But former President Caldera says that there is no alternative to COPEI..."

"When Rafael Caldera says, as he did recently, that COPEI is the only alternative to AD, he is playing the game that best suits his party and him in particular. But there are no indications today that what the COPEI leader is saying is true. Caldera wants political inertia, he wants the pendulum to swing back and forth between AD and COPEI, he wants a continuation of the traditional hegemony that the two parties have exercised jointly. Yet there are signs that something different could happen. And that would be very good for Venezuela. I am not making predictions. And I realize that it is still very hard to shatter the traditional hegemony. But the current situation offers such a possibility."

Freddy Munoz said that MAS is against moving up the election campaign. He described both AD and COPEI as irresponsible for launching premature campaigns. He asserted that Venezuela requires that the ruling party and the opposition devote their talents and their energies to tackling our major social and economic problems and to paving the way for development and democratization in the country. "Therefore," he added, "most Venezuelans are displeased that the election campaign has been moved up."

"Who is responsible for this premature campaign and what are they after?"

"The bigwigs in AD and COPEI are hastening developments because the differences of opinion and conflicts between their respective groups so dictate. Deep down, the leaders of those parties may feel that moving up the campaign is not a good idea. But in the end each group tries to get the edge on its rivals or to prevent them from getting the edge. The result is that they all wind up hastening the confrontation. The sad, and infuriating, thing is that in doing all this they have absolutely no regard for the interest of the nation or its people."

"Won't MAS be hurt in the long run if it does not immediately enter the electoral competition, as AD and COPEI are doing?"

"We are sure that we are not hurting ourselves by acting this way. Some colleagues and friends, as well as some political commentators, say that we are running the risk of lagging behind events. But that is not true. The most important thing, after all, is to be in tune with the sentiments of the majority of the country. And by not getting ahead of ourselves and debating the issue of our presidential nomination throughout the party, we are taking the approach that the majority of the country wants and demands of its politicians."

"Moreover, it is obvious that many of the people who want or are thinking about a different course than the one proposed by the so-called two-party system are focusing much of their attention on MAS because they see it as something special among the parties other than AD and COPEI. Therefore, there is no good reason to worry about the potential impact of not going along with those two parties in their harmful haste."

Deputy Freddy Munoz immediately clarified that this approach does not at all mean that MAS is closing its eyes and ears to what is going on in Venezuela. On the contrary, he reported that its leadership bodies, especially its Executive Committee, are monitoring and analyzing developments and laying the groundwork for future debate on the party's presidential nomination. "So then," he asserted, "we are in a position to begin taking up the issue as soon as a realistic examination of the circumstances so advises. Obviously, MAS has not yet made any decision about its presidential candidate. Nor does it have a premade decision, or an agreement that has been "cooked up (I would appreciate quotation marks) but not reported to the party at large."

Freddy Munoz concluded by stating that when the debate is held, MAS will listen in a democratic spirit to all opinions without prejudice and with real freedom for all. Nevertheless, he let it be known that the final decision will be in keeping with the general policy of seeking new leadership and an end to the so-called two-party system.

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# AD'S 'THIRD OPTION' CANDIDACY, DEMOCRATIC RESTRICTIONS VIEWED

## Third Option Candidacy

Caracas EL NACIONAL in Spanish 30 Sep 86 p A-6

[Commentary by Sanin: "Third Option"]

[Text] Humberto Celli, who always takes advantage of Manuel Penalver's absence to speak out on important issues, is said to hold that there is a third option among Democratic Action (AD) presidential candidates. Celli was talking about the heated atmosphere within the ruling party and pointed out the possibility of a unifying, compromise nomination. Celli is only in charge of the AD secretariat general, but he is thought to carry great political weight because of his close and direct ties with President Lusinchi. Moreover, Celli belongs to the emerging generation that will take up the torch in the AD movement and he exerts such political influence that he has very well-known representatives in the cabinet and in governor's offices. That is why he speaks today to the press on the party's behalf.

I do not think much of the possibility of a third option among AD presidential hopefuls, inasmuch as the campaigns of Carlos Andres Perez (CAP) and Octavio Lepage are well under way, with their commands already set up and in full swing, not to mention their financial and advertising base. This is an internal battle that will become increasingly hard fought, as shown by Americo Araujo's angry reaction against Juan Jose Delpino over in Zulia. It is a tough battle between bureaucratic and grassroots power within the ruling party. Thus, there is little chance of a compromise for the benefit of a third person. In any event, who would that third person be?

As we all know, there are other, more or less fortunate hopefuls. Dr Leandro Mora has been mentioned often. Luis Pinerua Ordaz has thrown his hat into the ring. So has Dr David Morales Bello. Dr Carlos Canache Mata has also been mentioned as a hopeful. Of all of them, perhaps the one who has the best political image among politicians and in the country at large is Dr Leandro Mora, but his name was inexplicably erased right away to make room for the undistinguished official bid by Octavio Lepage. As far as Pinerua is concerned, we must acknowledge that his political stature has grown amid the organization's ideological and ethical setbacks, and he could be a fine candidate with winning chances because of what his nomination would mean in an

ethical sense. Dr Morales Bello cannot be underestimated, owing to his standing in the polls and his dynamic activity in the streets, but unfortunately he is still regarded as closely tied to Carlos Andres Perez. Yet, if CAP were to withdraw, the Guayana jurist could turn out to be the beneficiary, but this conjecture has little basis in the country's political and electoral reality. Canache Mata is left. He would be a good candidate because of his competence and honesty, but since he does not belong to the eastern dynasty (even though he was born in Anzoategui), he has been vetoed in Miraflores. President Lusinchi was conspicuously absent at the dinner that Canache Mata's friends organized in his honor.

There remains the hypothesis of the famous "dark horse" that Gonzalo Barrios has advocated. There are those who think that Humberto Celli spoke of a third candidate in the National Executive Committee because he himself cherishes the ambition to be the new generation's candidate. Some of the party's humorists are saying that Dr Sanchez Bueno often speaks of his wonderful chances as the "dark horse" with the support of Gonzalo Barrios, but only Dr Gomez Mantellini has such guaranteed "support."

I firmly believe that there will be no changes in the AD electoral picture. Carlos Andres Perez and Octavio Lepage will remain the two opponents in the battle within AD. President Lusinchi will stick with his candidate to the bitter end, unless Lepage (God forbid) is overwhelmed by health problems, and that will not happen because Lepage is Biaggini, not Escalante. CAP will also keep on crisscrossing the country, with or without rules and regulations, until he is tricked into a monastic retirement. And no one believes that will happen because "the leopard cannot change his spots." So, the third option is more on ice and more unreal than the economic recovery, than the Social Pact and than the promise "to get the country moving so that we can live better."

#### Democratic Restrictions

Caracas EL NACIONAL in Spanish 26 Sep 86 p A-6

[Commentary by Sanin: "The Bronze Rule"]

[Text] President Lusinchi says that the golden rule of democracy, the congressional majority, is being applied. This golden rule is quite unpleasant for the Venezuelans who have been leveled by the steamroller. The chief of state used to boast that he presided over the most AD or most sectarian administration in the country's modern history.

There are many kinds of steamrollers, some to impose tax reform, others to prevent congressional debate, others to get bills passed arbitrarily and unilaterally, others to sabotage the work of the Mass Media Committee in Congress, others to halt an investigation into and the punishment of administrative corruption, others to preserve judicial insecurity and lack of confidence in the economy, with total legal and fiscal anarchy.

This is the golden rule of the steamroller, the living symbol of the Lusinchi democracy. Fortunately, that golden rule or that ominous steamroller could not be set in motion within the IAPA [Inter-American Press Association] when

it examined and denounced the lack of freedom of the press in Venezuela. The steamroller is so common that it is even being used to stop and crush Carlos Andres Perez and his colleagues in the party.

As for the majority, the golden rule of democracy, it would be worth our while to do a brief analysis of the official front as the predominant national sector, as an authoritarian regime and as an unappealable sectarian system. We must point out, first of all, that there is never a consensus in Congress and in the street, inasmuch as all parties are against the Lusinchi administration, and this does not exclude a vast segment of AD. So, the majority has been pretty much shattered. To this we must add the total opposition of FEDECAMARAS [Venezuelan Federation of Associations and Chambers of Commerce and Industry] and other major pressure groups in the country. As far as the workers are concerned, we already know that there are frequent and serious differences of opinion between Lusinchi and the union bureau of AD and the board of directors of the CTV [Confederation of Venezuelan Workers]. So then, the golden rule has turned to bronze.

As the Lusinchi administration heads into its third year, consensus, conciliation, dialogue and coexistence have disappeared completely. The so-called "social pact" did not last as long as other presidential promises about respecting the opinion of the press and about the task of "getting Venezuela moving so that we can live better." CONACOPRESA disappeared too. So the golden rule became a steel tourniquet to choke off consultation with the sectors of the economy and to ignore the demands and petitions of the CTV. Right now FEDECAMARAS is constantly protesting its not having been consulted about the economic laws that were passed, especially the ominously intrusive new Income Tax Law. Even Antonio Rios, an administration labor leader, says that the tax law could also harm lower-income sectors. Dr Gonzalo Barrios is trying to sugarcoat the pill after the fact by promising consultations now that the law in question has been passed. Such is the confusion within this high-handed administration that it is already thinking about amending the law in a hasty, irregular manner, as happened with the grotesque FOCOCAM [Exchange Equalization Fund].

This is how the administration is generating confidence with its golden rule of democracy. "Economist" Sanchez Bueno asserts that the law will make Venezuela a tax haven. We will soon see the dollars that left returning and the arrival of new investors dazzled by the learned ramblings of the chairman of the congressional Finance Committee. Meanwhile, the revenue shortfall will be made up halfway and there will be further belt-tightening under a new budget bloated with bureaucracy, appropriations for trips to Europe and secret spending to wrest the nomination away from CAP and win the 1988 elections with the dull and unpopular Lepage. The bronze rule of democracy will be in force here, to foster the continued rule of the eastern dynasty by trampling the opposition, business, labor, universities and the staunch AD backers of Carlos Andres.

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NEED TO STRENGTHEN OPPOSITION'S ROLE UNDERLINED

Caracas EL NACIONAL in Spanish 25 Sep 86 p D-10

[Commentary by Roberto Giusti: "Where Is the Opposition in Venezuela?"]

[Text] Stereotypes aside, one of our nation's myths is the rebellious spirit of Venezuelans, the almost genetic traits that have been attributed, with abundant examples of historic exploits, to our character: we are said to be crafty, restless battlers against injustice and enthroned or fallen justice.

In our own day and age, the legendary law of the pendulum is cited with suspicious frequency. According to this Venezuelan contribution to the social sciences, we are infused with opposition sentiments and thus oust the ruling party and place in power those who were formerly out of office.

Other arguments are mentioned too, of course, such as the frustration of expectations and the resounding failure of erstwhile combative opposition leaders who, thanks to the people's expression of their sovereignty, have become mediocre statesmen, appalling administrators and specialists in waste, embezzlement and collecting commissions. But when all is said and done, these reasons lead us inevitably back to the opposition spirit of Venezuelans.

To support this theory we could add that as passive citizens in this imperfect democracy who have been prevented from participating in the ill-termed participatory system, we have made use of the so-called punitive vote, which is the only way that we have every 5 years to express our opposition en masse and to renew our capacity to believe.

The problem is that that capacity is wearing thin. The results of the most recent municipal elections, which have been cited in the papers over and over again, are a fact. If there ever was and if there still is a rebellious attitude among Venezuelans, it seems to have become a passive rejection, a laziness about casting ballots, a lack of faith that is reflected in the voter turnout.

It is no accident that Rafael Caldera, who has embarked on another bid for the presidency, has told his party that if they really want to return to power, they must regain the confidence of the Venezuelan people. And this, of course, entails a change of attitude, a sweeping overhaul of the structures

and workings of the parties. In other words, the people no longer feel that their desires and aspirations are being represented by these organizations, which are now encumbered by cliques and the so-called "cogollitos" [bigwigs].

COPEI is supposedly the main opposition party. By popular mandate it is the organization that is in charge of systematically and coherently counterbalancing the actions of the administration. This has not been the case during the administration's first 2 years. In spite of an extremely dangerous lack of progress in their election performances, Venezuelan Social Christians have been engaged in a suicidal battle for control of the party machine. What they have forgotten amid this battle, behind which we can clearly see the presidential nomination, is that it is of no use to gain control of a machine that has no real foundation. A superstructure without infrastructure. For this reason Caldera has made numerous appeals to get the party in touch with society again, to put it in tune with that latent, passive discontent among people who are bereft of leaders and weary of the rising cost of living, unemployment and the steep decline in the quality of life, and to restore their exhausted capacity to believe. In other words, to perform the miracle of bringing back to life the dead body called the opposition.

Over the past 6 months COPEI has undergone a rebirth of its opposition spirit. Oddly enough, however, its fury in Congress, its diatribes in the media and its head-on battle against the tax laws, for example, have been proceeding in lockstep with the election campaign. The party could look opportunistic and sluggish, its actions dictated mainly by its internal problem, as the Social Christian factions and wings seek to prevail this time from the outside in.

The other segment of the opposition, the Left, which is in disarray and undergoing its cyclical regression, is seeking a change of style. In its loneliness it is trying to open up, to win over the discontented by making ideological concessions, by throttling the specter of communism and by lapsing into the platitudes of its adversaries, according to whom the word socialism arouses in Venezuelans the hellish image of children snatched from their families by a totalitarian State that forces us to share even toothbrushes.

Intransigent, combative and cell-oriented, the Left lost the battle of the armed struggle. Isolated, it could not impose the model of redemption by force. It emerged from that long and painful trauma and came up with the theory of unarmed pragmatism. If we could not do it by force, we will do it peacefully. They joined the game and made it into Congress. They took seats on the Executive Committee of the CTV [Confederation of Venezuelan Workers] and won the presidencies of federations of centers. But that is as far as they got. Some, seduced by minor powers, made the leap. Others made the jump out of frustration. Disenchanted by so many defeats and citing the justification that the revolution is engineered from "within," they are joining the ranks of the Caldera and the Carlos Andres wings. As if Gumersindo did not exist. And as if the fossilized, cliquish parties of the status quo would not welcome them with an indulgent smile and even more indulgent disdain.

Those who remain have learned their lesson. It seems that they are finally thinking about unity. But an ambitious unity that is open to all sectors, that puts aside ideological parochialism (which is generally a cover for

personal rivalries) and that drastically reduces platform planks. Their starting point is the following fact: our democracy has broken down to such an extent, and we are so bad off that the first task is elementary. In other words, eliminate corruption, get rid of the shortcomings of the two-party system, which is the origin of all the aberrations of our democracy. Establish a rational, ethical, well-run State that distributes the battered national wealth, but not too much lest small businessmen become frightened. And since there are so few platform planks, the miracle could come to pass. That is to say, if they get past the difficult stage of choosing a candidate.

One problem. Like COPEI, all of these political organizations on the Venezuelan Left have been divorced from social realities. They have locked themselves up, not in their ideological ivory towers (no, not even that), but in their national leadership bodies, their Executive Committees, planning strategies to become, once and for all, the spokesmen "of the neglected masses."

Thus, at this juncture, with the movement to establish the front still in its infancy, its entire structure and purpose is purely electoral. Moreover, AD and COPEI have already taken the lead with their presidential hopefuls pounding the pavement, and MAS [Movement Toward Socialism] and MEP [People's Electoral Movement] are advocating a social convergence, the defense of consumers, a battle against AD's unpopular laws, and concerted action with the Neighborhood Associations. By the way, these associations always make an appearance when the time comes to dream about the broad social front, but very seldom are they seen to act in concert with opposition parties. If a minority of them have not become appendages of AD, most operate with a large degree of autonomy. There is a newly emerging power that is already being felt at lower levels of government, such as city councils. A not yet fully articulated response to the vacuum that the parties have left.

So then, who is the opposition in Venezuela?

Aside from the CTV, which is forced to play the uncomfortable role of the administration's unhappy partner and which is under social pressure, aside from the internal and not so internal opposition that the Carlos Andres wing represents, the opposition in Venezuela, which is pragmatic but not very principled, has been reduced to the powerful pressure groups who see their interests being harmed.

Whereas before FEDECAMARAS [Venezuelan Federation of Associations and Chambers of Commerce and Industry] applauded the granting of the preferential dollars, a gift that was snatched from its pockets, now because it sees its interests being harmed, it is engaged in an all-out attack (no small thing) on the Income Tax Law and the abolition of the Exchange Equalization Fund.

Amid the trappings of a theoretically valid argument, it has shown, in the sober figure of Rafael Marcial Garmendia, who is not as moderate as he seemed, its instinct for survival and an admirable class consciousness that certain labor leaders would be envious of. And just now it has projected, with the backing of its affiliates, a solid and aggressive image as the opposition in Venezuela. If by opposition we mean the ability to apply pressure, to parley,

to discuss and even to attack, in an effort to bring about changes favorable to one's position, to reverse government decisions, in a word, to achieve one's goals.

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FEDECAMARAS PRESIDENT ON PRIVATE FOREIGN DEBT, OTHER ISSUES

Caracas EL NACIONAL in Spanish 30 Sep 86 p D-8

[Text] The president of FEDECAMARAS [Venezuelan Federation of Associations and Chambers of Commerce and Industry], Rafael Marcial Garmendia, has responded to the statements by Finance Minister Manuel Azpurua Arreza on the government's decision not to take responsibility for the private foreign debt.

"At no time," Garmendia said, "have we asked the government to take over the private foreign debt. What we have asked it to do is spell out the arrangements for paying off the foreign debt, which many businessmen contracted to further the country's development."

Referring to the elimination of the Exchange Equalization Fund (FOCOCAM), the business leader underscored that this decision is of no help in opening up international credit, complicates the import procedure and puts pressure on the floating dollar. He noted that with FOCOCAM abolished, the private foreign debt is practically back to square one.

In answer to a question about President Jaime Lusinchi's remark that "the crisis is for whiners," the president of FEDECAMARAS said that "we are not taking it personally. Venezuelan businessmen have contributed to investment, have helped to lower unemployment, have furthered import substitution and have expanded domestic supplies. Now then, we have voiced very serious objections to the laws that have been passed to bring about an economic recovery in Venezuela. Businessmen are not asking for anything for themselves. What we want is for the government to let us get to work, to set definite ground rules and to avoid the shifts that have an adverse effect on economic activity. If we are allowed to work, we can make a bigger contribution to solving the crisis that is besetting the country."

Garmendia emphasized that the private sector acknowledges the administration's positive steps, such as the new foreign investment code.

"Nevertheless, at the same time it hastily passes the Work Environment Law, which will frighten investors away. And the bill to amend the Tenancy Law, which seeks to reactivate an important sector like construction, which is highly labor-intensive, which provides housing and promotes the formation of more companies, that bill is moving at a snail's pace."

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GUMERSINDO RODRIGUEZ CRITICIZES GOVERNMENT'S ECONOMIC POLICY

Caracas EL NACIONAL in Spanish 1 Oct 86 p D-20

[Article by Nelson Rodriguez A.]

[Text] The economic policies that the current administration has been pursuing do not seem to be the most appropriate. Clear-cut philosophical objectives ought to be defined to give the domestic economy a new look. At the same time, certain ideas ought to be corrected, because in the judgment of scholars of these issues, they are mistaken and have been adversely affecting development.

Such inconsistency and lack of clarity have fostered mistrust in investors and made Venezuela a leading exporter of money. Moreover, in average Venezuelans they have led to some degree of apathy in the short run and a lack of confidence in the future, inasmuch as the crisis is striking hardest at the lower and middle classes, which make up the majority of the country's population.

Gumersindo Rodriguez, a former minister (head of CORDIPLAN [Office of Coordination and Planning]), coordinator of the economic cabinet of the Council of Ministers (1974-1977) and the architect of major development programs, cautions that the economic policies of President Jaime Lusinchi's administration suffer from shortcomings and that although they have not actually failed as models, they leave much to be desired.

An analysis of the Venezuelan economic picture, in Gumersindo Rodriguez' view, must start with the basic element of ideology, inasmuch as under certain historical conditions ideologies have dictated the dynamics of economic trends.

"An expansionary policy was pursued here from 1974 to 1978. As I point out in my book 'The Great Venezuela Was Possible,' at the close of that period the policy was criticized as a concept. In practice this led to the pursuit of a recessionary policy by President Luis Herrera Campins' administration.

"The result was a surprisingly large loss of potential for the Venezuelan economy; the figures are revealed in the book."

In a February 1983 statement to the press, Gumersindo Rodriguez criticized the economic policy of President Herrera Campins in the following terms:

"The government's mistaken policy cost the country more than 70 billion bolivars in capital outflows from 1979 to 1981, and if we add 1982, we can talk of another 100 billion...If the economy had grown from 1979 to 1982 at the same pace as from 1973 to 1978, the physical output of goods and services would have reached 361 billion bolivars. Owing to economic stagnation, it stood at 309 billion bolivars, or 52 billion bolivars in 1968 prices...

"The measures taken by that administration came at the most painful time for the poorest groups. The exchange rate was allowed to keep floating, thus enabling the wealthy and the most powerful transnational corporations to take their money out of the country, money that can return now and earn sizable profits...I agree with the measure, but I am convinced that its belated adoption was a flagrant violation of the economic rights of the masses. This is a form of economic corruption that is much broader in scope than the shady deals and rackets that are going on under the cover of the government.

"The progress towards a better distribution of wealth and economic power that we had anticipated slowed, with extremely serious effects on the level, makeup and dynamics of social production in Venezuela."

#### Policy Changes

Rodriguez indicated that at present there has been a partial rectification of this mistaken approach. President Lusinchi's administration has corrected the recessionary approach and allowed the economy to grow by one to two percent at present.

"Nevertheless," he underscores, "if an economy like ours were to follow an expansionary course, as he professes, it would grow by seven or eight percent, if we look at the operating capacity of basic industries, infrastructure, skilled and unskilled labor, etc."

In setting forth his arguments, Gumersindo Rodriguez cites the example of Brazil, whose debt is three times larger than Venezuela's and which is pursuing an expansionary policy that he agrees with and that has given the country a growth rate close to eight percent. "We can see," he noted, "that the trend in our domestic economy has been dictated by the pursuit of an at first totally and now partly nonexpansionary policy."

[Question] What are the prospects for the Venezuelan economy?

[Answer] The domestic economy unquestionably has great potential for growth. In the 1970's some argued against that potential, saying that we had passed the saturation point. But the changes in real investment, real consumption and assets bear witness to the existence of the physical resources that crystallized in this capital formation.

I think that at present these assets are much greater than in the 1970's, owing to the accumulation of physical investment, the accumulation of

investment in human resources, and the increase in skilled and unskilled labor. This should enable our economy to post seven or eight percent growth in the domestic product in real terms in 1968 prices.

In spite of the administration's success in maintaining a level of private spending that has pushed economic growth into positive figures of one or two percent a year, it will not be possible to exceed these figures under current policy.

[Question] Why not?

[Answer] Because the economy needs more resources to activate aggregate demand and exploit its production potential. According to my calculations, the government is pumping into the economy a third of what it needs. For fear of boosting spending and harming the external sector of the economy, it is not pumping in more energy or resources to boost real aggregate demand.

I think that what is keeping the level of economic activity up is the purchasing power of the wealthy, especially the exporters of capital. According to my calculations, which are based on Central Bank statistics, between 1970 and 1979 close to \$10 billion left the country, and another \$30 billion from 1979 to 1983. If we add in the capital gains and most of the interest, we could be talking about close to \$60 billion today.

This amount of money should be yielding an annual income in interest, dividends, etc of close to \$4 billion, which is 80 billion bolivars. It is perfectly possible that a fourth of that amount, or 20 billion, is fueling the buying power of the wealthiest groups in Venezuela, because our country has become a creditor internationally, inasmuch as the private sector's claims overseas exceed the country's foreign debt.

All of this distorts the economy. For example, purchases of luxury cars are up; the highest-class restaurants are doing well, as is everything having to do with the fashions, designs, etc of upper-income groups. Yet the purchasing power of the working class, of the lower middle class is shrinking. The Venezuela that is living off investments is creating a completely distorted productive structure.

[Question] Has President Lusinchi's economic policy failed?

[Answer] No, I think that from the standpoint of orthodox philosophy, conservative philosophy to an extent, the administration's economic policy has achieved its goal of a limited recovery of business and its productive forces.

My opinion is that the administration has been too tightfisted in managing the resources that the economy needs. So then, the economy has responded to this conservative model, and the few successes that it has had, in moving from negative to positive growth rates, have been in the industrial sector and domestic agriculture. And these gains are in danger of being wiped out because by not pursuing an expansionary policy, by keeping unemployment high and by keeping real income depressed, it will be limiting the market for these industries' goods in the future. In a way, then, conservative economic policy

is paving the way for the undoing of the few successes that the administration had had.

I would say that from the standpoint of national expectations and the people's needs, the administration's economic policy leaves much to be desired, but I would not go so far as to call it a failure.

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